

Gala Rugby Football Club
Annual General Meeting 2019
Thursday 29 August 2019

- 1 **Welcome:** President Ian Dalgleish welcomed members to the meeting
- 2 **Present:** I Dalgleish, P Brown, M Bird, B Sneddon, B Scott, I Shanks, T Kyle, B Dodd, D Boggs, D Brown, K Syme, H Scott, D Scott, D Livingston, M Gray, J Riddell, T Irvine, D Taylor, G Isaac, H Hunter, P Weedall, T Turnbull, J Quarry, J Renwick, I Renwick, G Low, B Beattie, J Gray, P Dods, J Dickson
- 3 **Apologies for Absence:** D Tulley, L Spiers, N Ferguson, L Stoddart, D Bell, W Easson, S Dalgleish, I Millar, D Baillie, J Gilchrist, B Mitchell, P Brown, R Brydon, G Keddie, T Craig, S Stenhouse, J Shanks
- 4 **President's address**

Just a heads up about Andrew's financial report. What he will present tonight is a consolidated report similar in all respects to what you have seen in previous years. However if any of you look later at the accounts as presented to OSCR they will look different.

That is because if you recall the bar and any commercial activities cannot be included in the accounts to OSCR. Instead these activities are in a separate limited company called Netherdale Developments Ltd and only the net profit or loss from this limited company will be displayed in the OSCR accounts. So the principal difference will be in the Turnover of the club in OSCR, it will be less than the Consolidated Accounts presented here.

As with previous General Meetings I would ask that any questions for myself or Andrew be left until we are both finished.

I do not intend to go over the last season in detail as it was fairly fully covered by Bob at the EGM in June.

We clearly didn't end up last season the way we intended just missing out on the new Premiership by the narrowest of margins but with 20/20 hindsight – at which everyone is perfect – it could actually be helpful to us.

We still have some rebuilding to do and given the player payment situation in the Premiership I think initially at least it will be a very hard league.

Equally National League 1 is very difficult to predict and foresee as we have no idea of the strength of the club teams of the Super Six franchises or how the other five teams now in NL1 have recruited over the year.

We absolutely have to concentrate on our own resources and continue to build from the bottom up to get back to a position of sustainable playing strength in the club. This means investing even more heavily in our youth and working together with the Minis Triangle and Wanderers to develop players.

To this end we have taken on another full time YDO, Ruari Howarth, on a short term contract to ensure better coverage of all our youngsters. There has been an improved understanding amongst the separate youth streams of the need to work together for the strength of rugby in the town.

It is even more important now that we hold on to the considerable talent that is currently coming through the secondary school as they will all too easily be attracted or approached either directly or indirectly by the Super Six franchise a couple of miles away.

We absolutely do not want to stand in the way of players with ability who have the desire and commitment to follow that route but we also want to retain their services for as long as possible.

Digressing briefly to the Super Six franchise in the Borders, the Southern Knights. They are making very strong overtures to all Border clubs that they want it to be a Borders franchise! It is of course now being led by a new management team headed up by a Gala man, Gordon Brown. There is understandably a deal of antipathy towards Melrose given their previously clear direction to go their own route and not to engage fully with the Border clubs or Border League, because the previous regime did not think that the standard of rugby was good enough.

There is equally no doubt that Borders rugby is not as strong as it was in its heyday but given the concentration of senior clubs in a small area there needs to

be a closer cooperation to strengthen the values and offering from this area. As always that has been deflected by self interest but the time has to be over for that, just as it has to be for all the clubs in the town working together.

Personally one of my main aims in my presidency is to encourage a unified approach to rugby in the town and I know I am joined in that aim by all the members of the current Executive Board.

For those that don't know me I basically have an optimistic outlook but tempered somewhat by pragmatism from spending my working life as a Contractor.

I am finding that to take on this role does require me to be optimistic as I was recently advised that anything in Gala is a hard sell! I am not sure why that should be but certainly there seems to be a desire to pick fault with almost anything and predict failure.

I do understand that no one likes change but regrettably it absolutely has to happen or this sport and club that we give so much to will not be around in the future.

To turn back just briefly to Super Six and Agenda 3 and the role of our Union, I have to say this year has been, for me personally at least, a disappointment from the attitude of the Union. This was abundantly clear at the both the Extraordinary General Meeting earlier this year and at the AGM recently where it came across strongly that the future is their way or the highway – although the Union IS the clubs. I am not alone in these thoughts and despite all the promises of investing in the domestic game the truth is that below the Super Six the direct investment in club rugby is less than 2% of SRU turnover. They will argue that the people cost of the new Rugby Development team is also an investment in domestic rugby but I have to say currently in East Region it's a lot of talking heads without much action and will be costing more than the direct investment.

The other main outcome from Agenda 3 is the McColl Review that was meant to sort out player payment as well as other matters. However in this regard it has been left in a bigger mess than previously – so we now have a semi pro setup in Super Six with the Premiership and NL1 clubs able to pay players at the same level – if they have the money. In theory this is only for one more season for NL1 clubs and two more for the Premiership so its definitely not yet a level playing field – and maybe never will be!

Moving on to our own playing resources for this season we have lost the services of three key players from last season with Chris Keen securing a Super Six contract at Heriots, losing one of our longest club servants with the retirement of Chris Weir (although there are some rumours of a return -if asked) and Graham Spiers heading off to the bright lights of London. One of our other second rows, Cammy Pate, is also off to New Zealand for some farming experience which will see him miss all of the season. However our resources have been strengthened by a number of returning players viz Rhuari Howarth, Gregor Mein, Andrew Mitchell and Neil Turnbull all Backs bar one!!

We have however successfully managed to recruit some additional forward cover with Jesse de Vries, an U20 Dutch Second Row/Back Row player and Marius Tamosaitis a Lithuanian National prop who we hope will be available for most of our games. Additionally in October we have an Australian Second Row joining us. Our aim is clearly to perform better than last year but that may well be dictated by the level of the club Super Six teams.

The Wanderers who stepped up last year and made an impact have continued to perform well and we are looking forward to the continued development of Fergus Johnston, Angus Dun, Dan Ker, Cammy Finlayson and Struan Mitchell to name a few.

There is no doubt that financially we face some difficult times which reflect the current uncertainty which surrounds all walks of life in the UK with a still unknown outcome to Brexit. This is very clearly reflected in both personal and corporate expenditure being cut back and we will need to work very hard to turn the year with an acceptable financial result – and I have no doubt Andrew will tell you that! So please support the club in whatever way you can.

I am delighted to say that there has been a noticeable improvement in individuals willing to help both on match days and with odds and ends of jobs which constantly need attention. With the excellent work being done by our Caretaker, John Leckie, the external of the premises is being kept clean and tidy.

Finally to keep you all up to date we are planning a different approach to the Sevens this year. Given that we have access to all the Back Pitches the 3G next door and of course Netherdale we have concluded that it should be possible to run a Minis, Vixens, Triangle, Wanderers and Adult Sevens on one day. This arose as a result of us needing to change our Sevens date to the one vacated by Hawick and a suggestion from the Minis via Sinclair Paterson to hold a single event.

We are unique in the Borders in being able to do that. I have no doubt that it will take a mountain of organisation and planning which has started but we need to recreate Sevens as an event, with other distractions than rugby. The other advantage of such an event will be to bring all ages of Gala Rugby together on April 18th 2020 – so as they say Save the Date!

Finally -you will be glad to hear – a bit of housekeeping to confirm the current Trustees of the Gala Rugby SCIO, as required by the Regulator viz myself, Andrew, Bob (as ex officio), Graham Low, Gary Isaac, Hamish Hunter, Doug Taylor, Drew Baillie, Martin Bird and Dave Brown. A big thanks to them all from me for their time and effort so far, there is plenty more to come!

5 Financial Report of season 2018/19

Treasurer, Andrew Wayness presented his report of the season 2018-19.

This report is based on the Draft Accounts which I have Consolidated together for Gala Rugby SCIO and Netherdale Developments Limited in order to provide a true comparison against last year's accounts. (all the amounts referred to will be the Consolidated figures)

This year showed Gala Rugby made a Deficit for the year of £29k (2018 - £10k Surplus) before depreciation of £13k and Loss on disposal of the Bus of £11k making a total Deficit of £53k.

This was compared to a Deficit of £4k after depreciation of £14k for the year

This was a very disappointing result but there are reasons for this which I have detailed as follows:

- Main sponsorship reduced by £16k
- No Sportsman's Dinner this year so there was £10k loss of profit
- Sevens profit reduced by £4k
- Repairs increased by £13k (for property, lights and gas boiler)
- Rugby costs increased by £6k for players, coaches and physios etc.
- Disposal of the bus £11k

This amounts to £60k.

I will now run through the income and expenditure account and highlight significant points:

GENERAL ACCOUNT

INCOME

1. Gate receipts showed an increase of £1k from 2018. The league games attendances were down overall in the Championship (more games in this League). Selkirk was the by far the highest gate followed by Kelso. The main reason for the increase was the Boxing Day game against Melrose this year - £4.5k.
2. Subscription income decreased by £1k from the 2018. Again this included all Gala players' subscriptions totalling £2k. The membership is vital to the overall success of the Club. Please help in asking people to join the Club. The membership age levels are continually increasing. We need younger people to join the Club for the club to continue.
3. Donations and rents amounted to £24k. Donations were kindly received from members of £2k. Other donations were received from various other parties including the SRU amounting to £22k.
4. Gala Rugby received £14k from main sponsors which was a large reduction from 2018 which included playing kit, post pads and transport etc.
5. Match-day Sponsorship amounted to £11k. This was the gross income from sponsored matches throughout the season and showed an increase of £3k from 2018.
6. Sundry income amounted to £57k includes – (see detailed schedule). This included contributions from SRU of £18,285 (2018 - £15,532) in connection with Championship funding and incentives to improve and develop the game.
7. No Sportmans's Dinner was held during the year. This had a £10k reduction in profit. One is hopefully planned again for this current season.

EXPENDITURE

1. MATCH EXPENSES

These showed a decrease from 2018 of £22k to £26k. These included transport costs for the running of the bus, other costs for running costs, fuel, licenses and repairs etc. of vehicles, player's food and laundry costs. Also included during the year were player's welfare and social costs.

2. MANAGEMENT CHARGES

This was for the cost of Coaches, Physio's etc. and Players. This increased by £6k. The costs covered included fitness and conditioning to cover the 1st fifteen team.

3. RENT, RATES, TAXES AND INSURANCE

This amounted to £8k which was similar to 2018. This was for the Club's policy, including vehicle insurance and cover through the SRU scheme for the players. This is still a large expense to the Charity but premiums have increased for Clubs. The surveyors are very onerous on the Club and careful monitoring and training of the Trustees, Committees and other volunteers is essential nowadays to limit liability claims.

4. REPAIRS, RENEWALS AND FIELD EXPENSES

These have shown an increase of £13k to £24k.

Fieldwork amounted to £8k. This is the cost of maintaining the terraces and embankments throughout the year. The actual costs for the pitch maintenance amounted to £9k (this was for both 2018 and 2019 years due to the timing of them the work) which was covered from the pitch fund. This will not be the case going for this year.

General repairs amounted to £14k. This included electrical, plumbing, painting and various property repairs during the season. There was also a large repair to the gas boiler during the year.

Leasing charges totalled £2k for the lease of the new photocopier.

5. EQUIPMENT

Team equipment amounted to £16k. This included all Gala teams' jerseys, tops etc together with other special kit. First aid costs were £2k. This

included the cost of purchasing first aid materials, and the odd physio costs to various players during the year.

6. HEAT AND LIGHT

Heat and light amounted £11k which was a slight increase from 2018. This was for all electricity charges and included heating, floodlights and running the office on a part-time basis i.e. use of the office computers and photocopier.

7. SPONSORSHIP

This includes the cost of providing meals etc. for the sponsored games.

8. MISCELLANEOUS EXPENSES – £58k showed a reduction of £7k (as detailed within the accounts – Sundries).

BAR ACCOUNT

Bar sales for the year have increased slightly with a resultant gross profit of 40% (2018 - 41%). The bar prices have kept the same despite ever increasing prices from the suppliers during the year. There has been no price increases to members for several years now. The new card system has helped for the members to achieve this.

Bar wages amounted to £14k for the employment of all part-time bar staff. The cost includes all bar staff's wages for the year including our Club Steward Scott Emond. This also includes a Pension contributions which are now 3% for the Employer.

Cleaning costs and materials amounted to £2,383 The use contractors to clean the bar area and toilets etc. The other costs were for cleaning materials used to clean the bars themselves and the kitchens.

Bar repairs and miscellaneous expenses include some small repairs, stocktaking fees, laundry and plastic glasses amounting to £321. Some small repair items cost £89.

This has resulted in a surplus in the bar account of £6,419 an increase of £790 from 2018.

On the social front, there has been the odd disco night and entertainer as well as Xmas Party nights. The Friday Lunch Club continues to contribute profit and was successful throughout the season resulting in a net income to the Club of £5,368. This was net of meal costs which are being supplied by the Club caterer. Thanks must be given to Tommy Turnbull, David Brown and the Ladies for continuing to organise this function. The Lotto generated income of £2k which is falling off and must be increased to help with Club funds. The other Lotto contributed income £2,5k.

SEVENS ACCOUNT

The Sevens surplus for the year amounted to £1,756 the lowest in the Gala's history. This was a reduction of over £4k from 2018. The Sevens were very poorly attended and the weather conditions to not help.

The whole position of the Sevens is being reviewed for the coming year in 2020 to try and make it more attractive and financially more successful as most Border Sevens are falling away.

So watch this space for next years Sevens!

BALANCE SHEET

The additions to fixed assets amounted to £10,469 in the year. This was mainly for the gym alterations carried out and work in the Hayward building totalling £51,000 less grants received from BCCF of £30,000 and contribution from Gala Junior Rugby Council of £11k, Other items were for the purchase of some gym equipment for £3k less funds from SRU, a laptop £162, a new monitor £79. The Bus was scrapped for £500.

The new Gala Youth Development Officer was pointed Ross Cooke. This was funded by Jim Aitken and from the Scottish Rugby Union. The Club gained funding for this position for 3 years through Sports Scotland. The amount received in the year 2018-19 was £7,500 which offset the employment costs.

This year's results have been poor and has an impact on the Financial position. Now that we are a Charity then there is far more responsibilities to trade at least at breakeven level or make a profit each year to cover the bad years and maintain the property and facilities for all of the Community to use and benefit from. The floodlights have recently been upgraded at a cost of £50k funded by the SRU. However, through very careful monitoring of costs and budgets this can be achieved but it is going to be hard long road ahead.

The budgets for 2019-20 have been set to try and produce a profit of £3,000 to cover the EST Loan repayments. This is the financial target to aim for in these difficult economic times.

For Gala Rugby to go forward and achieve this aim it must generate sufficient financial resources from its members, sponsors and the general public to enable it to build upon and strengthen its present financial state.

It is vitally important to now run Gala Rugby as efficiently as possible, so the Club can be in a stable financial position going forward. It must trade profitably from this year onwards otherwise it will run out of cash reserves and cease to exist as a Charity.

The Termination monies from the SRU are all finished now so there will be no other financial help and Gala Rugby will have other additional costs towards the Annual Maintenance of the pitch going forward. Therefore it is vital for the Trustees to manage the Charities financial position very carefully.

6 Approval of 2017/18 Accounts

These were circulated to members present on their arrival. Approval was proposed by B Sneddon, Seconder M Gray

7 Review/Approve Minute of Annual General Meeting 28.08.18

These were circulated to members present on their arrival. There were no matters arising from these minutes. Approval was proposed by D Scott, Seconder G Isaac

8 Election of Club Accounts Independent Examiner

Approval of Gail Robertson as Club Accounts Independent Examiner was proposed by B Scott, Seconder K Syme

9 Election of Office Bearers

B Sneddon proposed G Isaac as club Vice President, this was seconded by P Dods

10 Any Other Competent Business

I Dalglish informed the meeting that the Ladies section was short of members and would cease to exist if no additional help is forthcoming. Any offers of support can be made to the Ladies section directly or to the President.

A Wayness agreed to try to ensure that financial papers are available in advance of next year's AGM

In response to rugby related questions from J Gray I Dalglish informed the meeting that there will be one team promoted from our division this season and that "Super Six " players cannot play in NL1.

In response to a question from B Scott, I Dalglish agreed that there needs to be an emphasis on marketing the club. He said that the club was aware of the need to improve in this area and was taking steps to address the issue.

11 Presidents Closing Address

The president thanked members for attending