



Annual Report for Sale FC AGM 2020-21

Chair of Sale FC Rugby Steve Smith

Dear Members,

I did not envisage that after 15 years as Sale FC Chairman, my final AGM would be facilitated in such circumstances. As per the previous message from the Exec, we had hoped to have you all at the club with a face-to-face AGM and grabbing a few beers after, as has been the tradition, but for obvious reasons we weren't able to do that.

There is no doubt that the past 16 months have been challenging for all and here is hoping we are finally coming out the other end of the Covid environment. As a member's club and a day-to-day business, we thrive on being open and having people down at Heywood Road and Carrington, on both our matchdays and during the week, so the sooner the better.

Over the past year your Exec has been working on agreements with existing and new partners. These include new 3-year agreement Swinton Lions RLC, whilst Sale Sharks Women will continue to use Heywood Road for their home games and Stockport County to rent part of Carrington as a base. This will see the club benefit from increased rental income and when open again, a busier bar. The Exec have created and are now implementing a strategy for the club to exit and operate post-covid lockdowns. Our focus is getting all aspects of the club fully operational again for its members and the local community. There are also some exciting plans around matchday (for all teams) in the pipeline, that we will announce in due course.

The Exec have managed to put the club on a more stable financial footing. With the help of membership engagement when we open again on match days and as a venue, we will look to increase revenue to ensure that we have a competitive rugby budget, whilst targeting a breakeven point. As members, there are many ways you can help with the long-term sustainability of the club, such as, attending match days, volunteering, sponsoring, booking pre-match hospitality, use the venue non-match days, but most of all, bring your friends and get them involved in Sale FC Rugby.

There is no doubt that Sale FC Rugby is at the heart of the community and it was great to see during lockdown our M&J Coaches and Mums raising money and holding a foodbank for the Trussell Trust. We have also continued to open our doors to the NHS during lockdown for blood donations. It was also fantastic to hear of Zoom evenings with many M&J age groups and 1st XV Men and Women players joining in the fun during lockdown, this shows a real club spirit. We are now seeing so many of our M&Js now back training on Sundays and in what seems to be record numbers, this bodes well for the future of the club.

Finally, I would like to thank the Club Exec and Management team for all their hard work during what has been a challenging time. I am more than confident that we as a club have the right people in place to drive our club forward.

See you in my bar!

Steve Smith
Sale FC Chairman



Chair of Rugby Paul Kelly

Hi all,

This has been a very unusual past 15 months as far as rugby has been concerned with numerous false starts, Covid related protocols and temporary law changes to contend with. But despite all this we have continued to train when possible and there has been some rugby at the Corpaq Stadium.

So, what has been happening.....

1st XV –

The last game our 1st XV played was a home win in March 2020 against Birmingham Moseley in torrential rain. A few days after this game we entered our first lockdown, and all league rugby was suspended then a few weeks later the remaining games of the season were cancelled. The RFU then took the decision to decide final league positions based on percentage win rate, which saw us retain our position in National One (level 3) for the 2020/21 season.

Between lockdowns training re-commenced over the summer with the hope that league rugby would start as normal in September. The return to training was predicated on the RFU 6 stage Return to Rugby road map, the detail of which I won't go into, which introduced various protocols and procedures that had to be followed to ensure the safety of players and coaches. Over the past 9 months we have moved up and down the various stages of the road map, as we moved in and out of lockdowns, but we have never made it as far as Stage F which would have seen the return of league rugby.

As for league rugby the start of the season was initially delayed with the hope it would commence in autumn 2020. Further delays followed with the format of the season changing, with each delay, from a full season (home and away fixtures) through to only playing each team once (home or away). Eventually in January 2021 the RFU announced that the 2020/21 season was cancelled. So where does that leave us?

The 2021/22 is due to start in September as normal (we hope!) with our 1st XV in National One once again. The league fixtures have been released and shared on social media; pre-season training will commence in June (slightly earlier than usual) with 4 pre-season friendlies planned for August, so keep an eye out for game announcements.

League Structure:

This season is going to be especially important to the future of Sale FC and all clubs in National One. The RFU have been reviewing league structures over the past 2 years, talking to clubs, County committees and the various leagues (e.g., the national clubs association which we are part of). The proposed restructure was recently presented to the RFU Executive and approved with new league structure commencing in 2022/23 season. So, what does it mean for Sale FC?

National One, our league, is being reduced from a 16 team to a 14-team league from the start of the 2022/23 season. The main driver for this is player safety. Over the past few seasons, the quality of National One has improved and with this the physicality and



attritional nature of rugby generally. Therefore, the league and the RFU have agreed to reduce the league size so that they are less league games (26 form 30) and more break weekends throughout the season.

As a consequence of this change the 2021/22 season will see 5 teams relegated at the end of the season. This will make for an exciting season as every game and every point will be important, each game will effectively be a cup final, a must win game as no team will want to be in the bottom 5!

Squad:

The large majority of players that played in the 2019/20 season have been retained so there will be plenty of familiar face when games re-commence. The squad has been strengthened in some areas, in particular we have potentially a very exciting back line following the arrival of a number of new backs. Recruitment is still on going so hopefully other areas will see more strength in depth by the start of the season.

Also, I very pleased to say that Jonathan Keep will be continuing as our Director of Rugby and will continue to be supported by Tony (Tote) Howcroft and Neil Briggs as coaches.

Sale Sharks:

Some people may be thinking how the change of Director of Rugby at Sale Sharks from Steve Diamond to Alex Sanderson affect the relationship between Sharks Academy and Sale FC. Simple answer is no change and if anything, our connection is stronger following the appointment of Sale FC player Fergus Mulchrone as Academy Manager last year. The Sharks see the benefit of the relationship and the valuable experience we give their younger players as part of their journey to Premiership Rugby, which has been see this season with ex Sale FC players Matt Postlethwaite, Connor Doherty, Bevan Rodd, Raffi Quirke, etc all getting regular game time in the Sharks 1st team.

Sale 1861 Women –

Moving on to our women's team it has been a remarkably similar story to the men.

As with the men the women's 2019/20 season was cut short and final position based on win percentage. Being the only unbeaten team in their league our Women won National Challenge 1 North West and successfully applied to join National Championship North 2 (level 3 in the women's game) from the start of the 2020/21 season. As with the men the 2020/21 season was cancelled. When rugby (hopefully) re-commences in September Sale 1861 will be in playing National Championship North 2.

Unfortunately, at the end of the 2019/20 we lost women's Head coach Steph Veal, who has moved to Canada. We are fortunate that Paula Bradbury, who was a squad member, has now taken up the role as Head coach and so provided a level of continuity. Also, I am pleased to say that Andy Hughes will be continuing in his role a Women's Director of Rugby.



Sale Sharks Women:

In spring/summer 2020 Sale Sharks launched their women's team and were accepted into the Premier 15s league, the top women's league in the country. A number of 1861 players joined the Sharks Women's squad with several making appearances over the season.

Following discussions with the Sharks it was agreed that Sale Sharks Women would play their home games at the Corpaq stadium. So, over the past 6 months we have seen competitive rugby at Heywood Road, but unfortunately due to Covid restrictions these games have all been played behind closed doors with no spectators allowed. I am incredibly pleased to say that the Sharks Women's players, coaches and support staff have enjoyed playing at Heywood Road and have indicated that they fully intend to play all their home fixtures in 2021/22 season at the Corpaq Stadium.

Once the 2021/22 Premier 15s season commences, I'd recommend getting down to watch as most weeks there will be international women players from the home nations and other teams (e.g., Canada, US, South Africa) playing at Heywood Road.

As with the men, Sale Sharks Women and ourselves see the relationship as mutually beneficial going forward as we hope to be able to give Sharks Women's squad members game time with 1861. Also, we hope this relationship will help 1861 attain our goal of getting promoted to National Championship 1.

Colts/ Academy -

Finally, let's move on to the Colts.

In the 2019/20 season we ran a junior colt's team in the North West Counties colts leagues supported by an U16s team playing friendlies. As with the senior teams the season was cut short and the 2020/21 season cancelled, which is a real shame for our now senior colts as this is their last chance to play competitive rugby together as a team.

Fortunately, now that competitive rugby has re-commenced, we have been able to arrange 4 friendly games for the Colts in May, all be it under hybrid Laws, i.e. no scrums or mauls.

It is with great regret that I must announce that at the end of this season Ian Mc Kerchar will be stepping down as Colts/Academy Head Coach. Ian has coached our Colts teams for the past 7 years and over this time he has helped numerous players improve their skills and their understanding of the game. Having worked with Ian throughout this period I can say from first-hand experience that he has been an excellent coach, fully of energy and enthusiasm, that will be sorely missed. We wish him all the best for the future.

With Ian's departure I'm pleased to announce that Mark Roberts will be stepping into the role of Head Coach of the Colts/Academy. Having been M&J's chairman along with his number of years coaching experience Mark is well placed to take over this role and help develop our Colts of the future and prepare them for adult rugby.

That's all from me.

Cheers, PK
Paul Kelly



Mini and Juniors Chairman Mark Roberts

It is difficult to write a report on a season that never really happened, it is great to be back though. Due to lockdown, I never had the chance to thank the volunteers that have helped last season. I would like to take the opportunity to do this in the report. Thanks go to Tamsin Caine who managed membership, this as I have found out is, a thankless task from which Tamsin has stepped back. I would also like to thank Caroline Kelly for organising the gate at home games and thanks to Liz Dockery who has taken this over.

What did we do with no rugby, special mention has to go to Joanne Bambrick for making midweek bingo a staple of lockdown. It helped keep engagement with the club, provided a bit of a morale boost and raised some funds. It was also really pleasing to see so many of the 1st XV get involved showing that we are really starting to live the vision of #OneSaleFC. We are back at rugby and judging by the numbers down at Carrington on a Sunday we are raring to go and full to capacity. Trickey's pups appears to be going very well and I do not think it is any coincidence that our U6-U9 ages groups have healthy numbers. It's vital that we get them young, so they stay with the club, it's hard to try and make up numbers in an age group later on through the continuum.

The pleasing thing is that we have a team at every age group from U6 through to Senior Colts, with the exception of U12's. The next stage of development for Sale FC is to get the Sale Vikings, our new senior team, playing some fixtures with a few to going into the local league in the 22/23 season. Hopefully that will be enough to see some of the current cohort of senior colts stay with the club.

Looking to the future, Sales Sharks move to the old Man City training group has given Sale FC greater control over the Carrington facility and we the membership should see some significant upgrades to our offering with M&J's having funded a pool table in what will be the new bar. We should also see our food offering improve significantly here over the coming season. Carrington is set to see some great rugby over the coming years and hopefully we can develop some much need soul to the facility.

2019 – 2020 Financial Performance

The 2019 – 2020 season was an unusual one from a financial perspective.

Firstly, with the backing of Corpaq and the Sharks a large proportion of the club's 1st XV squad were on monthly contracts rather than pay as you play. This saw a large increase in Rugby Costs but also a corresponding increase in incomings. Following, the decision by the RFU to cut funding to the Championship the decision was taken to return all players to pay as you play contracts.

Secondly, the weather caused several cancellations and postponement of fixtures which influenced our Bar takings across the Winter period.

Finally, the last three and a half months of the financial period were directly impacted by COVID.

On a more positive note, the FY20 figures start to show the impact of the clubs focus on reducing its fixed operating costs.

Full club accounts for the 2019 – 2020 season will be uploaded onto the website over the next few weeks.

2020 – 2021 Financial Performance

The current season has been impacted throughout by COVID. Heywood Road is designated as a stadium and therefore we have also been unable to open the bar or functions operations of the club at any stage during the pandemic.

In addition, the Club has had the cost of transforming the facilities at Carrington. This will ensure we have enough changing rooms and a clubhouse that will be a great hub for our adult teams and our expanding Mini & Junior section

Despite this disruption the Club has been busy ensuring that we are in a strong position to operate sustainably across two sites as soon as we are allowed.

Cash Management

With the uncertainty of the pandemic and the closure of bar and functions facilities the financial focus of the Club has been on carefully managing our cash position.

We have been proactive in utilising the furlough scheme and reducing the day-to-day operating costs of the business. We have also taken advantage of grants made available by the government and the RFU during this period.

Consequently, we are currently in a strong position from a cash perspective. However, the Club has the following exceptional items that it needs to settle over the coming months;

- Selling down our investments to fund the new functions suite and subsequently moving our investments to Corpaq has crystallised all the investment gains we made and triggered a large tax charge. We have deferred making any corporation tax payment to HMRC whilst the uncertainty of the pandemic continues
- We took advantage of the chance to defer last years Q1 VAT bill this amount will need to be paid this year
- The final payment for the work carried out on the functions' suite at Heywood Road
- Further work to get the new clubhouse at Carrington ready to open

Managing the cash position and protecting the financial reserves of the Club needs to remain a priority as we start to open again

Profit & Loss Account

	FY19	FY20	FY21	FY22
	Actual	Actual	Outturn (9+3)	Target
Total Incomings	639,929	738,858	219,249	629,350
Rugby Costs	(366,648)	(525,526)	(133,346)	(268,680)
Direct Bar & Catering Costs	(178,789)	(172,782)	(84,168)	(260,802)
Operating Costs	(342,956)	(291,179)	(243,092)	(191,728)
	-	-	-	-
Total Outgoings	(888,393)	(989,486)	(460,605)	(721,210)
	-	-	-	-
Operating Profit	(248,464)	(250,628)	(241,357)	(91,860)
Investment Income	75,768	145,000	153,600	153,600
Net Profit before tax and depreciation	(172,696)	(105,628)	(87,757)	61,740

Notes:

1. Depreciation not included in the above figures
2. Amounts received from the furlough scheme and from government and RFU grants are not included in the above figures
3. FY20 figures are currently in the final stages of being audited by Harold Sharp and are therefore subject to change
4. FY21 figures are based on Management Accounts until March 2021 and forecasts for the rest of the financial year
5. FY22 figures are based on the budget which will be finalised over the next few weeks

Strategy and Targets

In the medium term the club is targeting to break even at an Operating Profit level. This will allow the club to use the investment income for capital projects that maintain and improve its facilities.

In the nearer term we are in the process of setting a budget for next season. The work that the Club has undertaken to rationalise our operating costs gives us a strong base to improve our overall financial performance. Whilst we have set revenue targets for function, sponsorship and rental income that the executive and wider membership need to strive to beat. The following areas need to be a key focus next season as we look to strengthen our financial performance;

- Review rental portfolio and maximise the income we are receiving for our rentable space
- Take full advantage of the high level of Rugby that we have at Heywood Road. We have over thirty match days at Heywood Road between Sale FC, Sale Sharks Women and Swinton Lions.
- Utilise the space we have at Carrington to run larger events that drive a profit for the club
- Increase the involvement of our members with the club