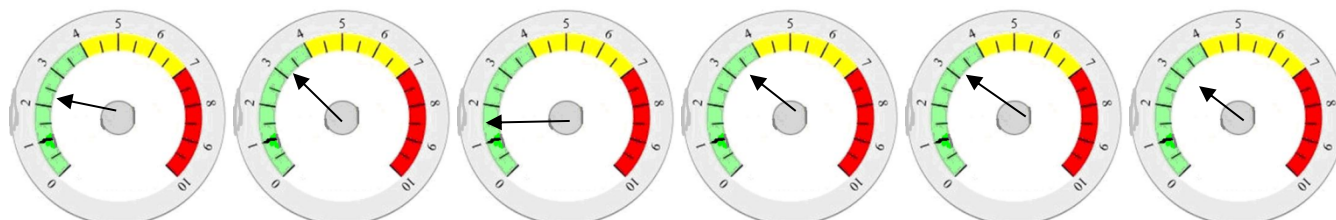


Report 2017-2018

First Five Month Results

Summary



Slightly Improving	Profit	Membership	Salaries	Bar & Coffee	OVERALL
	GOOD	Improving and very good	OK	Deteriorating	Slightly Improving

The plan for this year is to make a loss of nearly £12,000 - caused by the lack of access to the capital grant of £35k.

As at the end of the August, the centre is ahead of target by £13,372 (£7,644 in July). A small highlight, is the addition for the last holiday periods of a very successful holiday camp for children. Income this year is over £9,000 to date. A great success and testament to the new management - who have now been in charge for just 1 year.

The centre continues this year to show good financial results to date. The centre has had to commit capital resources replacing a treadmill, upgrading the alarms, and paying interest on loans, cash that normally would be part of a capital grant. Should the financial position deteriorate, then the centre will claim per the process set up by CTC. The centre is still awaiting the £80k agreed by CTC to repay the loan, which will ease our financial burden this year, and going forward.

	AVERAGE
	MONTHLY MEMBERSHIP £
2011/12	7,420
2012/13	9,684
2013/14	11,579
2014/15	12,342
2015/16	13,927
2016/17	12,618
2017/18	12,529
2018/19	13,954

For the first time, our average monthly membership has gone above the peak that was in 2015/16.

In addition an analysis and reprofiling of swimming has improved the income from lessons, and from schools.

This increased income is creating a cushion to fall back on, when the centre loses its grant - post development.

	P&L £	CASH £
CURRENT PLAN 2018/19	-11,839	-11,839
LOSS OF GRANT	-35,000	-35,000
NON CASH CONTRIBUTION		39,818
TOTAL TO MAKE UP	-46,839	-7,021
DEPRECIATION SAVING POST DEV	30,146	0
DROP IN MAINTENANCE	10,000	10,000
REPAYMENT OF LOAN	5,100	19,956
REVISED PLAN	-1,594	22,935

In preparation for post redevelopment, and the loss of £35,000, whilst this appears bad and is not sustainable (we will have to make up £47,000 to break even following redevelopment), this is not as bad as it looks.

We have achieved significant income gains in the last few years (contrary to the Strategic Leisure Report prediction). Without further increases in income, we are in a position, if we continued with the current trend to be sustainable POST development.

In profit and loss, we need to make up £47k on today's budget. A new building, owned and asset maintained by CTC will mean the only depreciation we will carry in our books, will be for

equipment. We expect maintenance spend to decrease, and the interest only charged to P&L will be cleared when the loan is repaid.

In cash terms the picture is rosier - the whole of the annual loan repayments is cleared, and also as depreciation is a non-cash element, all things being equal, we will have a cash surplus of £23k - to reinvest in equipment (per annum).

This success has come because income in the last 5 years has grown 47% - whereas expenditure for the same period has only increased by 18%.

The membership income continues to provide a strong financial position and is this year matching our high point of 2015/16.

Profit & Loss

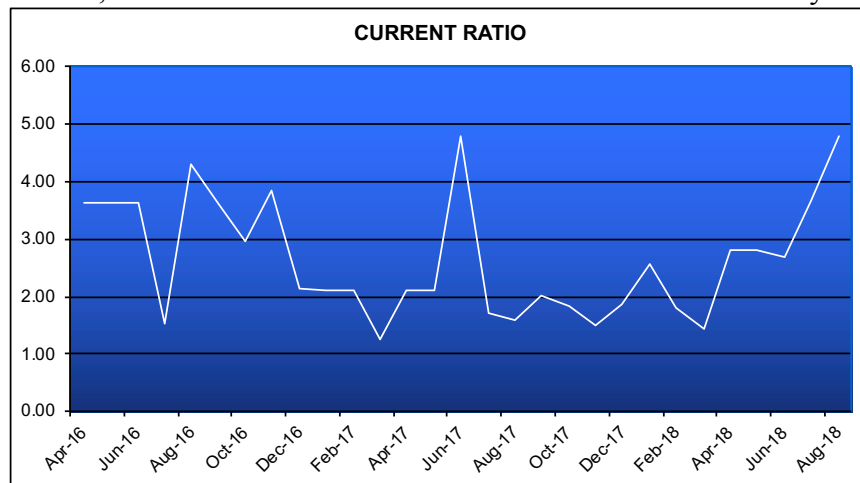
There are no major issues showing in the five months – other than the issues re grant that need to be sorted.

SUMMARY						
HEADINGS	ACTUAL LAST YEAR	PLAN FOR 2018/19	PLAN FOR 5 Mths Aug	ACTUAL TO END 5 months Aug	VARIANCE TO DATE	NOTES
INCOME	£	£	£	£	£	
INCOME	540,713	549,673	261,652	270,143	8,491	
EXPENDITURE	557,052	561,607	235,649	230,768	4,881	
TOTAL	-16,339	-11,934	26,004	39,375	13,372	

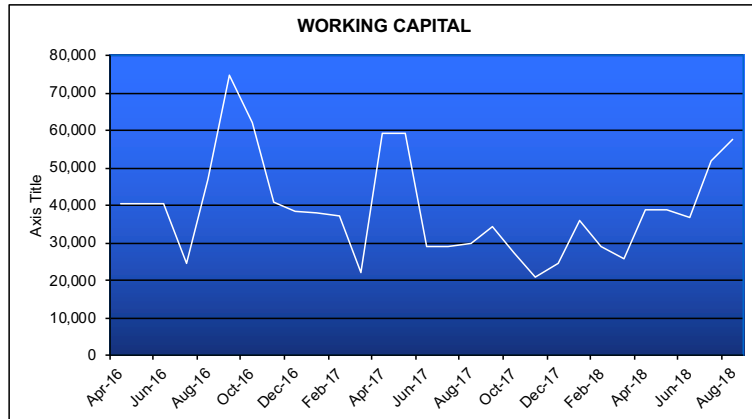
CASH IN HAND		REPRESENTED BY	
As at 31st August 2018	£	B/F from above	£ 39,375
Current Bank Account	13,691	Reserves	102,014
Business Investment	37,066	Tax/NI/Pension	7,958
EOY Accruals	-	Audit	-
Petty Cash	140	VAT	1,513
Debtors	15,013	Utilities	- Prepaid water
Accrued Income (term)	16,688	Deferred Grant	11,512
Assets (less depr)	151,879	Long term Loan	73,073
Float	345	Bikes Loan	-
Merchandise Stock	6,383	Misc Accruals	7,863
Bar Stock	2,103	TOTAL	243,308
TOTAL	243,308		

In terms of our ability to meet any short term debts should the centre for any reason be wound up, as measured by our liquidity ratio, the measures are as follows;

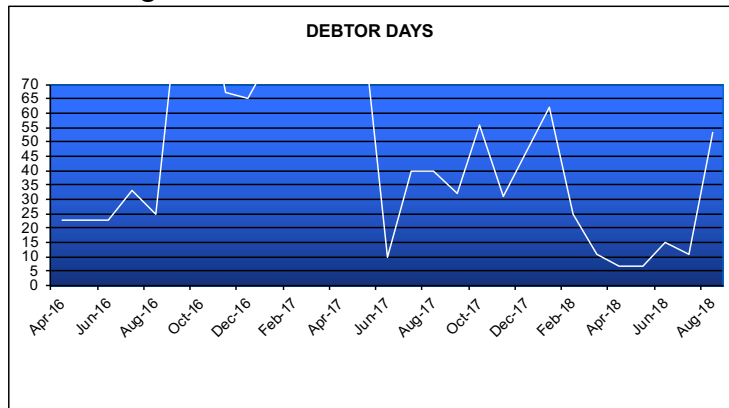
- Quick Ratio = Current Assets / Current Liabilities – ideally the higher the figure, the better our ability to meet short term debts, and concern would arise if it fell below 1:1 without any action plan in place.



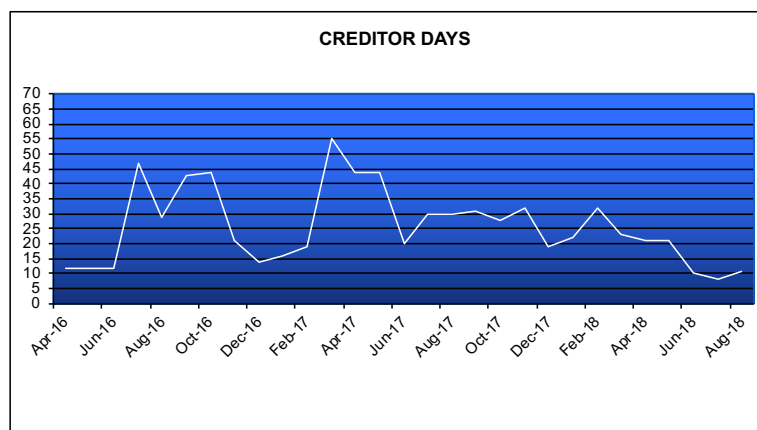
- The Net working capital = Current Assets minus Current Liabilities. This is a crude measure of what our positive balance is. It includes stock, but excludes fixed assets and the long term loan.



- Days Sales Outstanding = Shows our efficiency in collecting debts. Most of our income is paid in cash – or grant. Approximately 10% of our income is invoiced to customers. The current year is distorted by the fact we have invoiced for the grant – but it was not received until June.

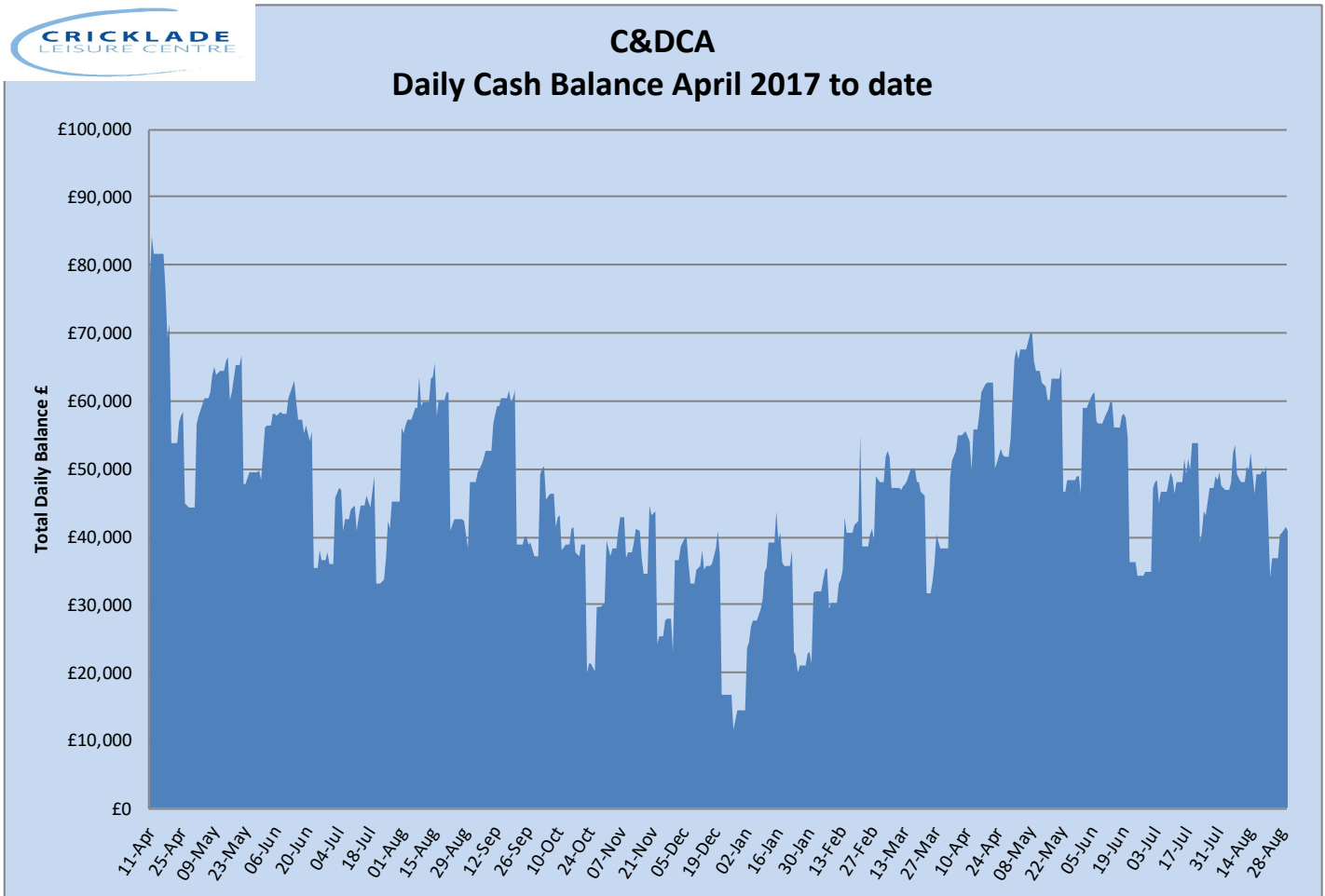


- The same ratio for how well we pay people, shows (distorted by large works bills)



Cash

Our cash management remains positive. No cause for concern.



Income

This is the quiet month of the year – however, our income to date is well above that of last year, however some of this is distorted by receipt of the new terms’ income. However, even accounting for this, income is 10% above last years. Of note is the additional holiday club income, bringing in nearly £10k to date, with another club planned for x-mas.

HEADING	INCOME AUGUST 2018 £	INCOME AUGUST 2017 £	INCOME AUGUST 2016 £	INCOME AUGUST 2015 £	INCOME AUGUST 2014 £	INCOME AUGUST 2013 £
Membership	69,769	62,652	64,305	73,125	59,036	57,369
Courses	97,316	79,045	79,557	57,290	59,124	59,105
Pay as you go	54,041	52,197	53,088	45,054	37,254	41,154
Miscellaneous	16,360	11,432	7,131	4,646	2,776	3,972
TOTAL	237,486	205,326	204,081	180,115	158,190	161,600

HEADINGS INCOME	Five months to end of August				VARIANCE TO DATE £	NOTES
	ACTUAL LAST YEAR £	PLAN FOR 2018/19 £	PLAN FOR 5 Mths Aug £	ACTUAL TO END 5 months Aug £		
Revenue Grants						
Grant WCC	35,250	35,000	8,750	8,750	0	No capital grant approved
Boiler Grant	1,488	1,488	-	-	0	Grant matching expenditure
Swimming Grant	4,950	4,680	2,340	2,340	0	
TOTAL GRANTS	41,688	41,168	11,090	11,090	0	
Memberships						
Gold	2,769	3,000	1,273	1,509	236	
Silver	115,507	120,000	50,920	52,841	1,921	
Bronze	32,073	33,000	14,003	15,231	1,228	
Friends	1,100	1,000	424	188	-236	
TOTAL MEMBERSHIPS	151,449	157,000	66,620	69,769	3,149	
Courses						
Swimming Courses	108,736	110,000	73,333	77,641	4,308	
Swimming Certificates	1,628	1,500	1,000	651	-349	
NPLQ Income	2,775	2,500	1,667	2,550	883	
Gym Course	24,278	24,000	16,000	16,474	474	
TOTAL COURSES	137,417	138,000	92,000	97,316	5,316	
Activities						
Swimming Casual	22,755	23,000	9,760	11,735	1,975	
School Swimming/Pool Hire	46,235	46,000	19,519	16,344	-3,175	Summer Holidays
Badminton	14,682	15,000	6,365	6,357	-8	
Squash	5,865	6,000	2,546	2,152	-394	
Main Hall	16,401	16,500	7,002	8,586	1,584	Cat show contributed £850
Gymnasium	3,928	4,000	1,697	1,766	69	
Gym & Bounce	429	500	212	192	-20	
Tennis	2,028	1,000	424	1,076	652	
Outdoor Football	3,105	3,000	1,273	230	-1,043	
Fitness Classes	12,977	13,000	5,516	5,603	87	
TOTAL ACTIVITIES	128,405	128,000	54,315	54,041	-274	
Miscellaneous Income						
Donations/Triathlon/Fun run	4,449	4,500	1,875	1,507	-368	
Interest	5	5	2	8	6	
Party	4,035	4,000	1,667	2,212	545	
Miscellaneous Income	7,314	7,000	2,917	1,873	-1,044	
Holiday Club	5,175	8,000	5,333	9,455	4,122	
Sale of Sports Equipment	2,043	2,000	833	1,305	472	
TOTAL MISCELLANEOUS	23,021	25,505	12,627	16,360	3,733	
TOTAL LEISURE INCOME	481,980	489,673	236,652	248,576	11,924	

Expenditure

No problems to date.

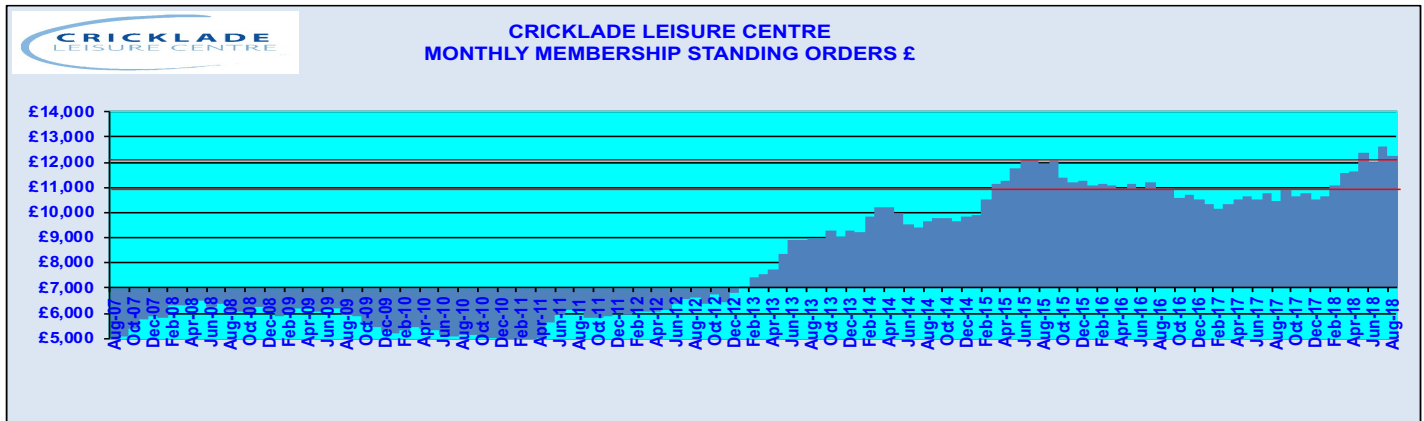
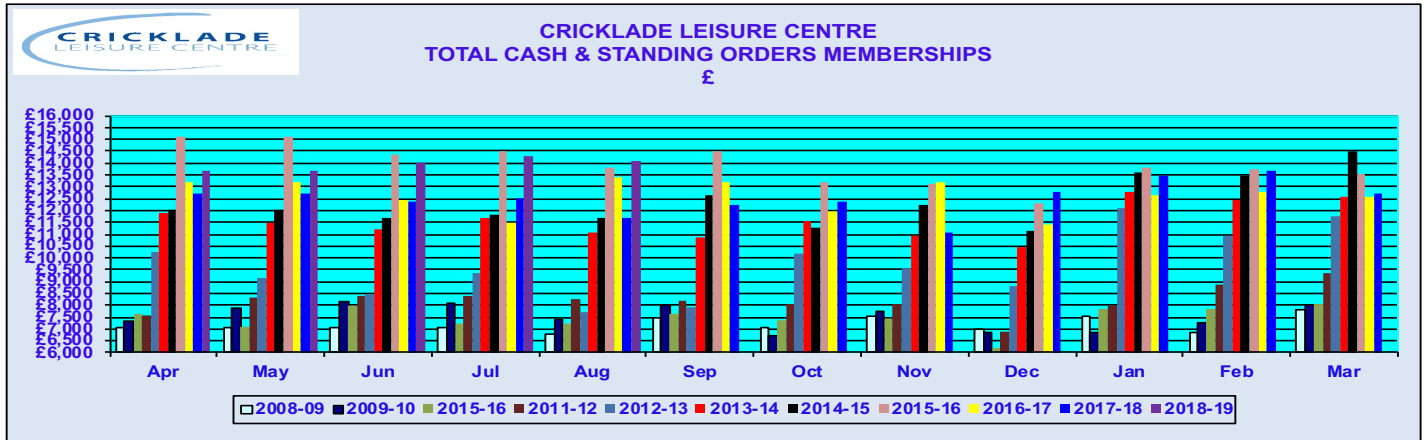
HEADING	EXPEND AUGUST 2018 £	EXPEND AUGUST 2017 £	EXPEND AUGUST 2016 £	EXPEND AUGUST 2015 £	EXPEND AUGUST 2014 £	EXPEND AUGUST 2013 £
Pay	128,284	123,648	121,376	110,648	102,982	102,295
Premises	58,087	59,148	57,033	60,388	57,391	48,011
Administration	14,581	18,863	19,687	16,844	18,944	19,172
Fees	7,594	7,665	7,864	6,335	8,856	7,657
TOTAL	208,546	209,324	205,960	194,215	188,173	177,135

HEADINGS	ACTUAL LAST YEAR	PLAN FOR 2018/19	PLAN FOR 5 Mths Aug	ACTUAL TO END 5 months Aug	VARIANCE TO DATE	NOTES
EXPENDITURE	£	£	£	£	£	
Wages						
Management	48,792	57,000	23,750	24,927	-1,177	Change in structure
Duty Managers	67,911	66,000	27,500	29,005	-1,505	
Reception/Administration	15,643	9,000	3,750	2,556	1,194	
Recreation Assistants	86,675	88,500	36,875	39,438	-2,563	
Wetside Coaches	21,437	27,000	11,250	8,903	2,347	
Dryside Coaches	46,347	46,500	19,375	19,594	-219	
Cleaners	5,047	3,000	1,250	1,285	-35	
Maintenance	9,738	5,664	2,360	2,576	-216	
TOTAL PAY	301,590	302,664	126,110	128,284	-2,174	
NON PAY						
Premises						
Electricity	19,548	20,000	8,333	7,404	929	
Gas	15,956	18,000	7,500	5,837	1,663	
Insurance	4,619	4,750	4,750	4,767	-17	
Alarms Maint	2,254	1,000	417	1,428	-1,011	Alarm replacement
General Rates	7,808	9,800	4,083	4,016	67	
Rubbish	2,408	2,500	-	-	0	
Water Rates	3,825	6,000	2,500	3,861	-1,361	
Pool Chemicals	3,939	4,000	1,667	1,907	-240	
Repairs & renewals	23,088	20,000	8,333	7,825	508	
Cleaning	10,045	10,000	4,167	4,628	-461	
Gardening	228	500	-	-	0	
Depreciation	39,818	39,393	16,414	16,414	0	
TOTAL PREMISES	133,536	135,943	58,164	58,087	77	
Administration						
Uniforms	941	500	208	216	-8	
Training (incl travel)	5,532	5,500	2,292	2,663	-371	
Advertising/Marketing	4,384	4,500	1,875	375	1,500	
Telephone	2,966	3,000	1,250	875	375	
Stationery/Postage	3,150	3,000	1,250	725	525	
Computing Equipment	2,363	2,500	1,042	1,205	-163	
Office Equipment	1,189	1,000	417	1,582	-1,165	
Party Food	1,005	1,500	625	1,472	-847	
Sports Equipment (day to day)	7,543	6,500	2,708	2,435	273	
Swimming Badges	1,335	1,500	625	461	164	
Donations	-	-	-	-	0	
Misc	4,792	5,000	2,083	2,572	-489	
TOTAL ADMINISTRATION	35,200	34,500	14,375	14,581	-206	
Professional Fees						
Audit	1,720	2,000	-	-	0	
Legal/Licences	3,747	2,500	2,000	2,057	-57	PRS Annual fee
Payroll/Accounts	2,260	2,500	1,042	1,400	-358	
Loan Interest/Fee	5,057	5,100	2,125	2,009	116	Per loan Schedule
Bank/Credit Charges	4,406	6,000	2,500	2,128	372	
TOTAL PROFESSIONAL FEES	17,190	18,100	7,667	7,594	73	
TOTAL EXPENDITURE	487,516	491,207	206,315	208,546	-2,230	

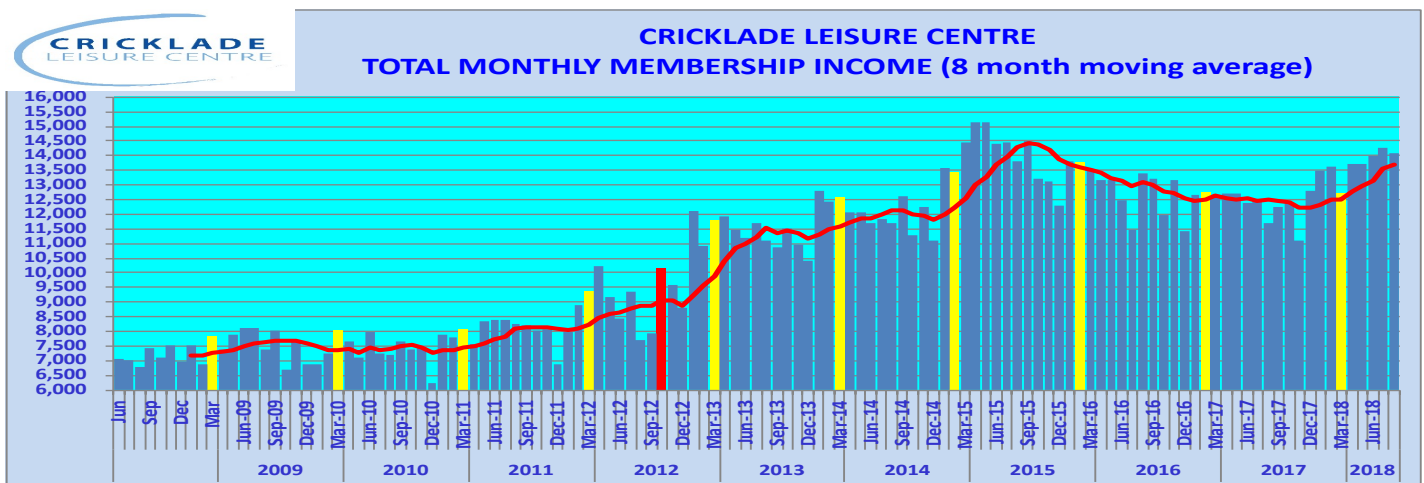
Key Success Factors

Membership

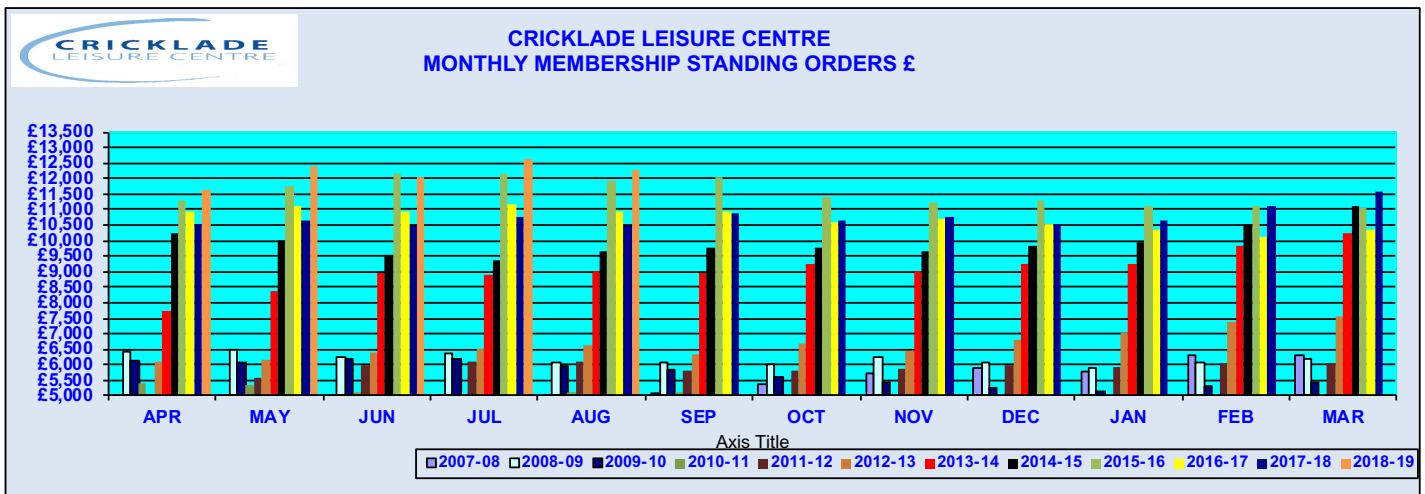
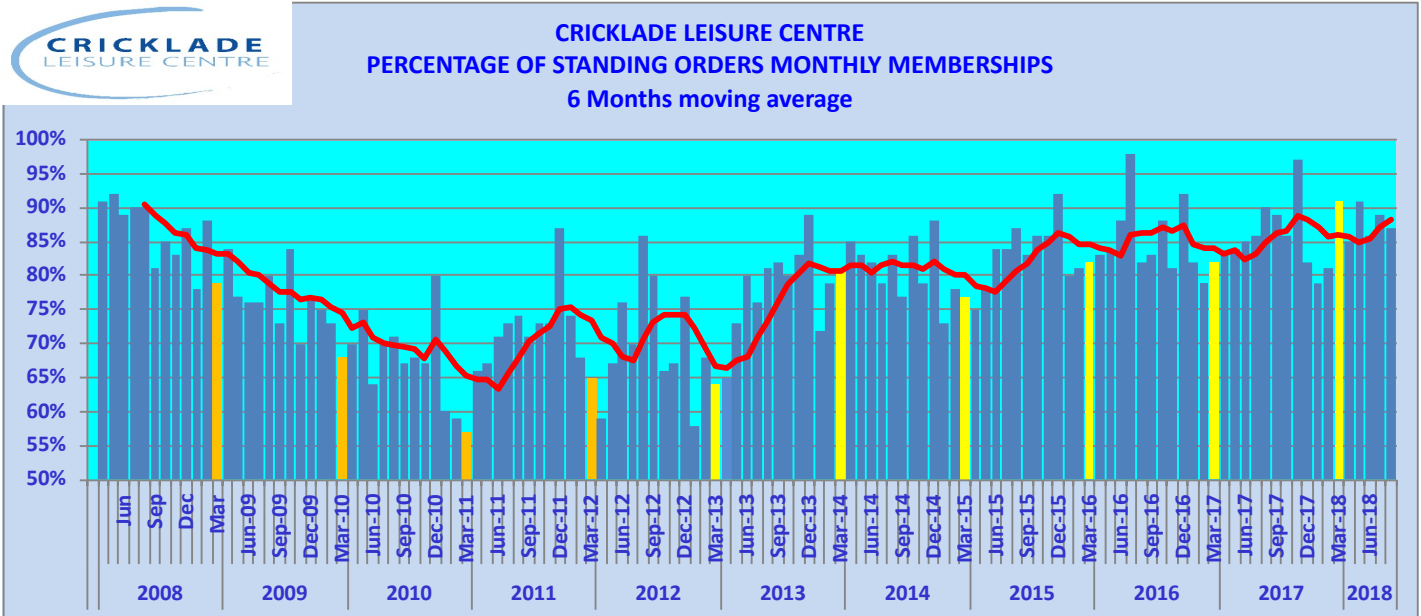
Membership is a key success to date, since the new gym. This year's figures have reached the peak of 2015/16 high figures.



The red bar below is when the gym was refurbished.

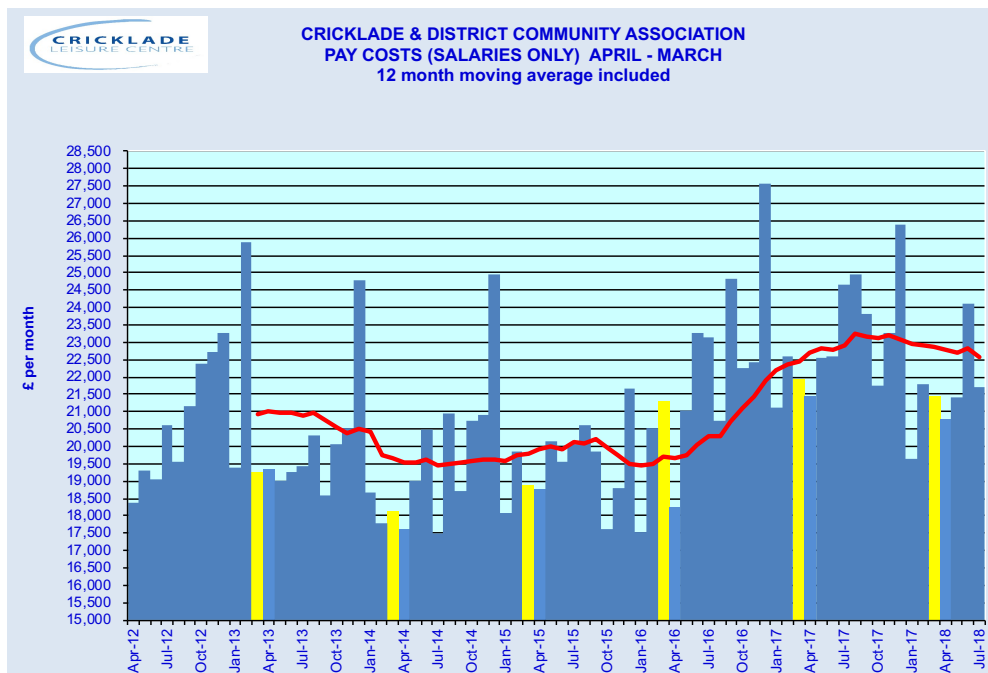
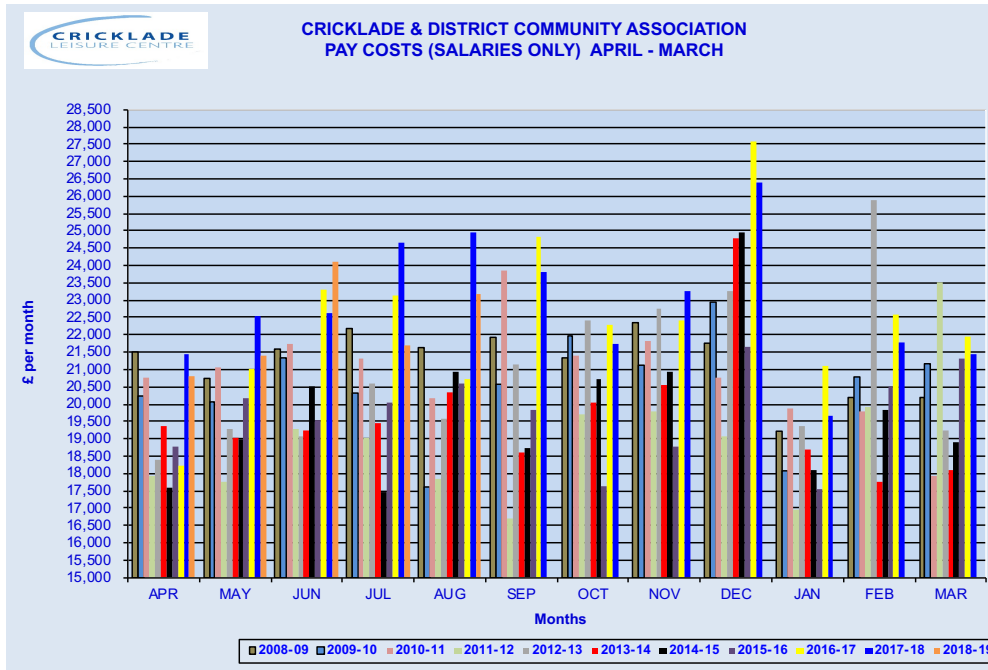


Cash memberships are an important part of our income. However, standing orders are important, because they are less prone to fluctuation! They are now running at almost £130k per annum.



Wages

Wages are under control.



Bar/Coffee Shop

BAR/COFFEE SHOP	ACTUAL LAST YEAR	PLAN FOR 2018/19	PLAN FOR 5 Mths Aug	ACTUAL TO END 5 months Aug	VARIANCE TO DATE	NOTES
	£	£	£	£	£	
INCOME						
Café/Bar Income	58,733	60,000	25,000	21,567	-3,433	30.95%
TOTAL INCOME	58,733	60,000	25,000	21,567	-3,433	TOTAL GROSS MARK UP
EXPENDITURE						
Salaries	22,812	23,000	9,583	6,756	2,827	
Drinks	15,579	16,000	6,667	3,500	3,167	
Coffee/Bar Consumables	29,981	30,000	12,500	11,391	1,109	
Bar Chemicals/Gases	211	250	104	203	-99	
Stock Take	806	1,000	417	310	107	
TV	147	150	63	62	1	
TOTAL EXPENDITURE	69,536	70,400	29,333	22,222	7,111	
TOTAL BAR CONTRIBUTION	- 10,803	- 10,400	- 4,333	- 655	3,678	

Whilst there is no concern about salary costs (they contribute to other areas in the centre), there is a concern around the gross mark up.

This will need investigating over the next several months.