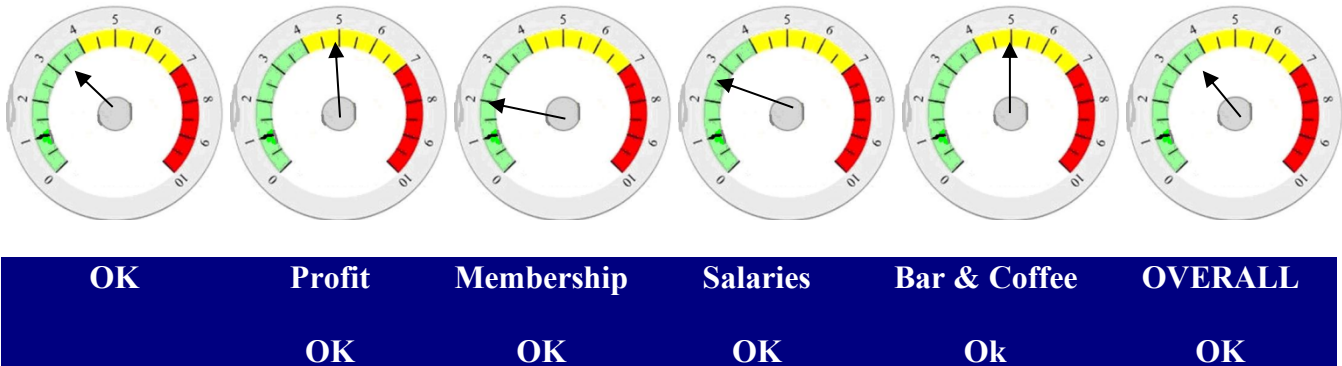


Report 2019-2020

Month 2 New Year

Summary



Following the success of the last financial year, where we made a £27k surplus - we have set a provisional budget for this year of nearly a circa £20k surplus. If the redevelopment commences this year, we will have to seriously adjust our targets - but can only do this following some experience of that closure.

| | AVERAGE |
|---------|----------------|
| 2010/11 | 7,468 |
| 2011/12 | 8,200 |
| 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 | 14,200 |
| 2019/20 | 14,194 |

Our average monthly membership is now consistently the highest levels it has ever been - and has now crossed the average £14k per month - which has been maintained so far this year, although membership has dropped over the last few months.

There has been uncertainty around our pool closure, which has meant swimming lesson income appears not to be as good as last years.

In preparation for post redevelopment, and the loss of £35,000, whilst this appears bad and is not sustainable 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.

| | P&L | CASH | NOTES |
|------------------------------------|-----------------|----------------|-------------------------------|
| | £ | £ | |
| CURRENT PLAN 2018-19 | 18,874 | 18,874 | |
| Loss of revenue grant | - 35,000 | - 35,000 | Post development |
| Non-cash contribution | | 36,834 | Depreciation is 'non cash' |
| TOTAL TO MAKE UP | - 16,126 | 20,709 | Shortfall |
| Depreciation saved | 28,099 | | Current building depreciation |
| Maintenance savings | 10,000 | 10,000 | Reduced premises spend |
| Loan Repayment | 5,100 | 19,956 | Loan cleared |
| POSITION ON THIS YEARS PLAN | 27,073 | 50,665 | |
| BEHIND ON PLAN THIS YEAR | - 4,346 | - 4,346 | |
| BENEFIT POST DEVELOPMENT | 22,727 | 46,319 | |

Assuming we achieve the same result next year as this year, with the known changes, in P&L terms we will be in profit, and more importantly, in cash terms we will be in surplus.

Of course, offsetting this will be a substantial loss in income during the redevelopment which we are currently assessing. However, this gives us and others confidence going forward that we have a sustainable business model post development, and removal of grant.

This success has come because income in the last 5 years has grown 42% - whereas expenditure for the same period has only increased by 20%.

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

Profit & Loss

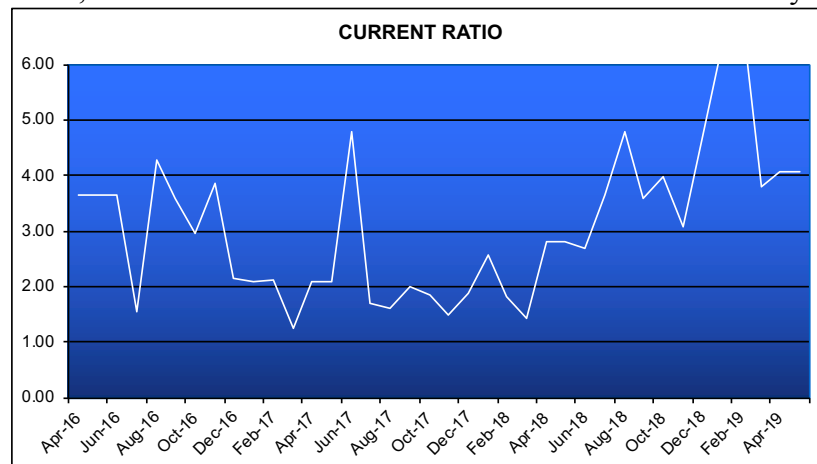
There are no major issues showing in the first two months.

| SUMMARY | | | | | | |
|--------------|------------------|------------------|---------------|---------------|------------------|-------|
| HEADINGS | ACTUAL LAST YEAR | PLAN FOR 2019/20 | PLAN TO DATE | YEAR TO DATE | VARIANCE TO DATE | NOTES |
| INCOME | £ | £ | £ | £ | £ | |
| INCOME | 594,435 | 569,923 | 113,624 | 108,139 | -5,485 | |
| EXPENDITURE | 570,468 | 551,048 | 97,466 | 96,328 | 1,139 | |
| TOTAL | 23,967 | 18,874 | 16,157 | 11,811 | -4,346 | |

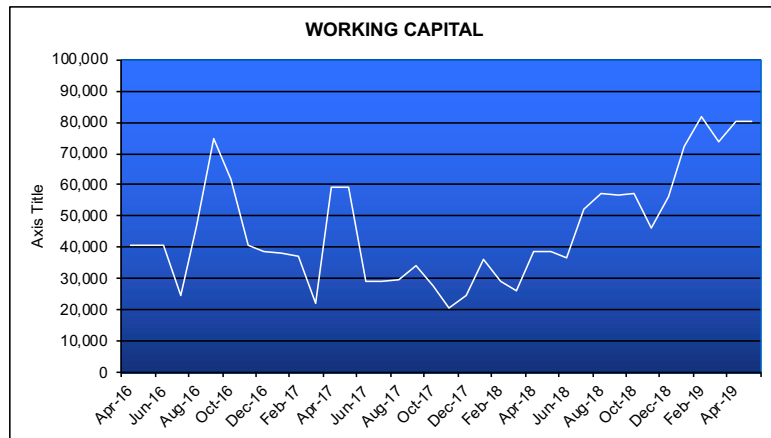
| CASH IN HAND | | REPRESENTED BY | |
|----------------------------|----------------|-----------------------|----------------|
| | £ | | £ |
| As at 31st May 2019 | | B/F from above | 11,811 |
| Current Bank Account | 9,173 | Reserves | 126,789 |
| Business Investment | 67,612 | Tax/NI/Pension | 5,444 |
| EOY Accruals | - | Audit | - |
| Petty Cash | 204 | VAT | 916 |
| Debtors | 19,709 | Utilities | - |
| Prepaid Water | 5,923 | Deferred Grant | 10,024 |
| Assets (less depr) | 125,101 | Long term Loan | 61,238 |
| Float | 330 | Prepayments | 1,228 |
| Merchandise Stock | 6,012 | | |
| Bar Stock | 2,338 | Misc Accruals | 18,952 |
| TOTAL | 236,402 | TOTAL | 236,402 |

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;

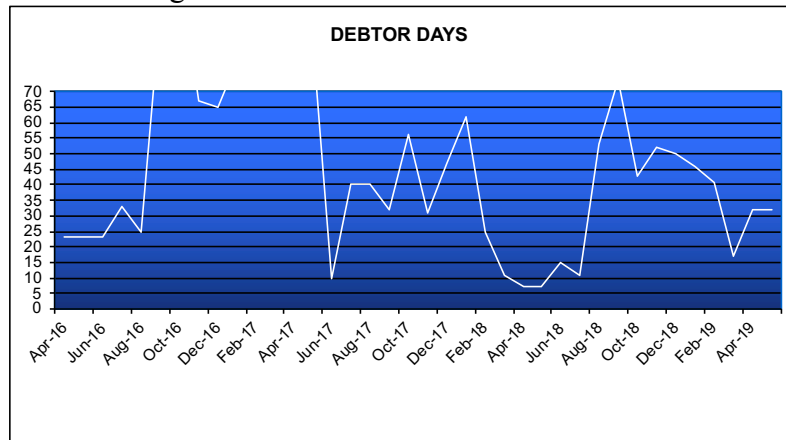
- Quick Ratio = Current Assets / Current Liabilities – ideally the higher the figure, the better our ability to meet short term debts, and concern would arise if it fell below 1:1 without any action plan in place.



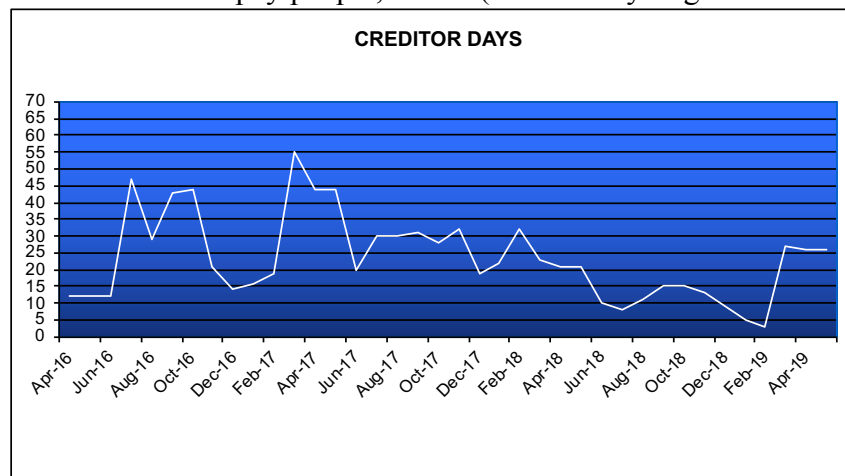
- The Net working capital = Current Assets minus Current Liabilities. This is a crude measure of what our positive balance is. It includes stock, but excludes fixed assets and the long term loan.



- 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.

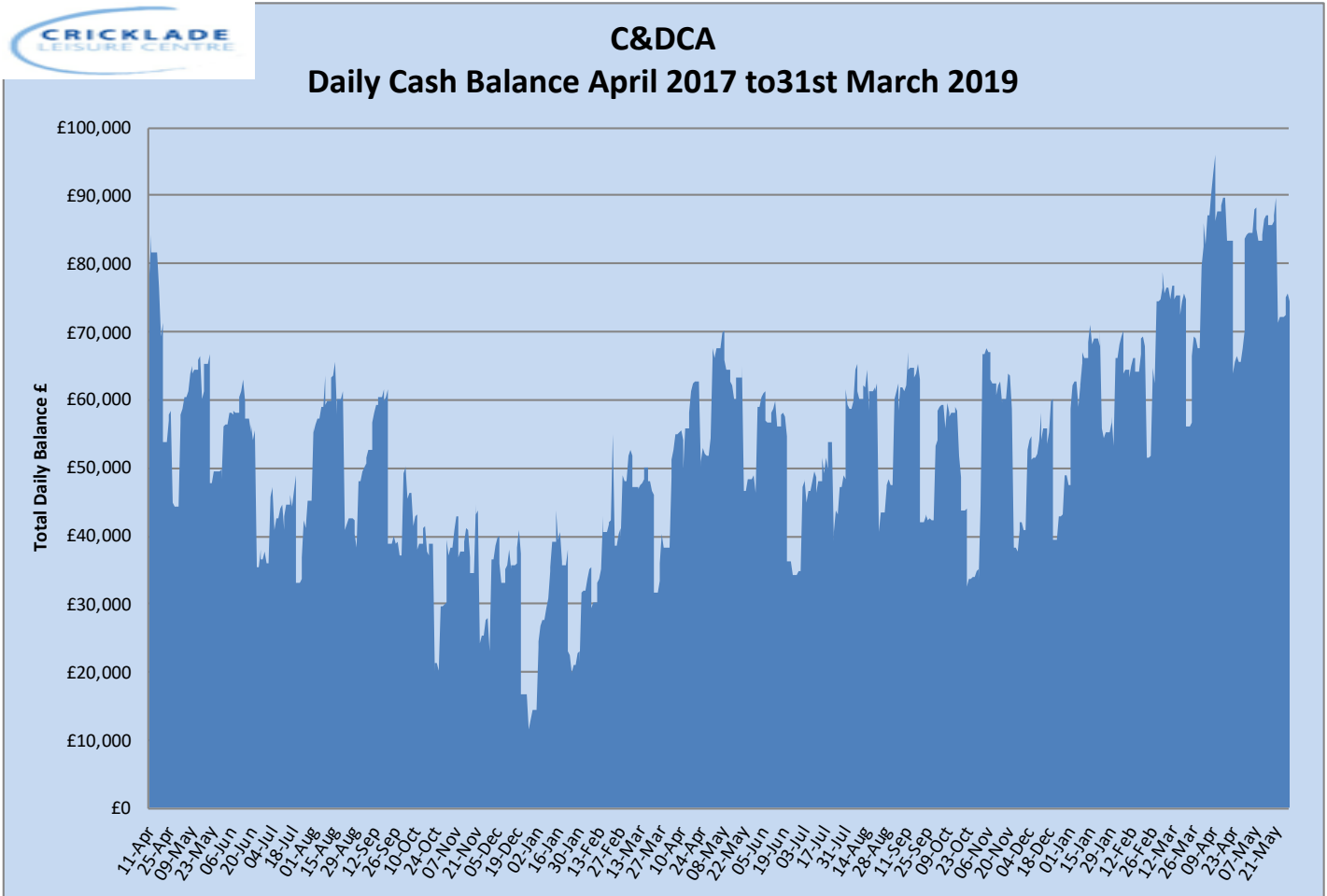


- The same ratio for how well we pay people, shows (distorted by large works bills)



Cash

Despite our loss of £35k income last year, our cash position gives no cause for immediate concern.



Income

The income is skewed because the first term swimming fees - however even allowing for this, it does appear that income will be marginally down on last year.

| HEADING | INCOME MAY 2019 £ | INCOME MAY 2018 £ | INCOME MAY 2017 £ | INCOME MAY 2016 £ | INCOME MAY 2015 £ | INCOME MAY 2014 £ |
|---------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Membership | 28,442 | 27,565 | 25,639 | 26,506 | 30,340 | 24,486 |
| Courses | 31,552 | 42,192 | 40,993 | 38,120 | 31,664 | 28,548 |
| Pay as you go | 24,387 | 25,466 | 21,468 | 21,425 | 19,102 | 15,246 |
| Miscellaneous | 5,213 | 5,588 | 5,222 | 1,995 | 1,713 | 795 |
| TOTAL | 89,594 | 100,801 | 93,322 | 88,046 | 82,819 | 69,075 |

| HEADINGS | ACTUAL LAST YEAR | PLAN FOR 2019/20 | PLAN TO DATE | YEAR TO DATE | VARIANCE TO DATE | NOTES |
|-----------------------------|---------------------|---------------------|----------------|---------------|---------------------|----------------------------|
| INCOME | £ | £ | £ | £ | £ | |
| Revenue Grants | | | | | | |
| Grant WCC | 35,000 | 35,000 | 8,750 | 8,750 | 0 | |
| Boiler Grant | 1,488 | 1,488 | - | - | 0 | Grant matching expenditure |
| Swimming Grant | 4,680 | 4,680 | 1,170 | 1,170 | 0 | |
| TOTAL GRANTS | 41,168 | 41,168 | 9,920 | 9,920 | 0 | |
| Memberships | | | | | | |
| Gold | 3,131 | 3,000 | 537 | 607 | 70 | |
| Silver | 127,487 | 125,000 | 22,372 | 20,634 | -1,738 | |
| Bronze | 39,779 | 40,000 | 7,159 | 7,146 | -13 | |
| Friends | 223 | 250 | 45 | 55 | 10 | |
| TOTAL MEMBERSHIPS | 170,620 | 168,250 | 30,113 | 28,442 | -1,671 | |
| Courses | | | | | | |
| Swimming Courses | 110,566 | 110,000 | 26,667 | 24,273 | -2,394 | |
| Swimming Certificates | 1,926 | 1,500 | 500 | 357 | -143 | |
| NPLQ Income | 3,992 | 2,500 | - | - | 0 | |
| Gym Course | 23,739 | 24,000 | 7,000 | 6,922 | -78 | |
| TOTAL COURSES | 140,223 | 138,000 | 34,167 | 31,552 | -2,615 | |
| Activities | | | | | | |
| Swimming Casual | 29,436 | 30,000 | 5,369 | 5,797 | 428 | |
| School Swimming/Pool Hire | 57,080 | 46,000 | 8,233 | 8,517 | 284 | |
| Badminton | 15,833 | 15,000 | 2,685 | 2,405 | -280 | |
| Squash | 5,636 | 6,000 | 1,074 | 782 | -292 | |
| Main Hall | 25,925 | 16,500 | 2,953 | 4,172 | 1,219 | |
| Gymnasium | 4,835 | 4,000 | 716 | 613 | -103 | |
| Gym & Bounce | 799 | 500 | 89 | 157 | 68 | |
| Tennis | 1,363 | 1,000 | 179 | 238 | 59 | |
| Outdoor Football | 302 | 3,000 | 537 | 22 | -515 | |
| Fitness Classes | 12,451 | 13,000 | 2,327 | 1,684 | -643 | |
| TOTAL ACTIVITIES | 153,660 | 135,000 | 24,162 | 24,387 | 225 | |
| Miscellaneous Income | | | | | | |
| Donations/Triathlon/Fun run | 4,078 | 4,500 | 750 | 883 | 133 | |
| Interest | 21 | 5 | 1 | 5 | 4 | |
| Party | 6,761 | 4,000 | 667 | 595 | -72 | |
| Miscellaneous Income | 5,300 | 7,000 | 1,167 | 814 | -353 | |
| Holiday Club | 15,100 | 15,000 | 2,500 | 2,642 | 142 | |
| Sale of Sports Equipment | 2,773 | 2,000 | 333 | 274 | -59 | |
| TOTAL MISCELLANEOUS | 34,033 | 32,505 | 5,418 | 5,213 | -205 | |
| TOTAL LEISURE INCOME | 539,704 | 514,923 | 103,780 | 99,514 | -4,266 | |

Expenditure

No problems to date.

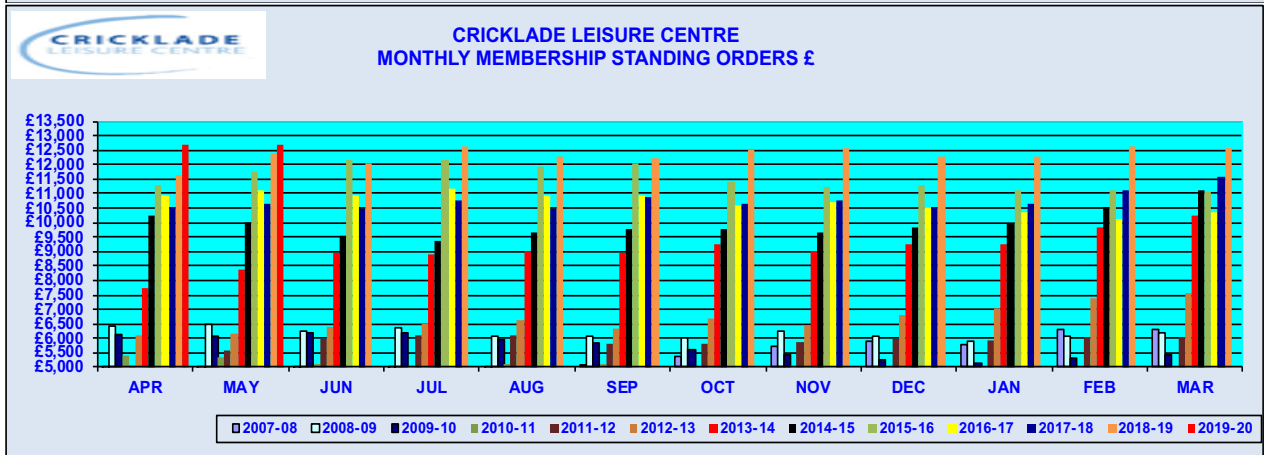
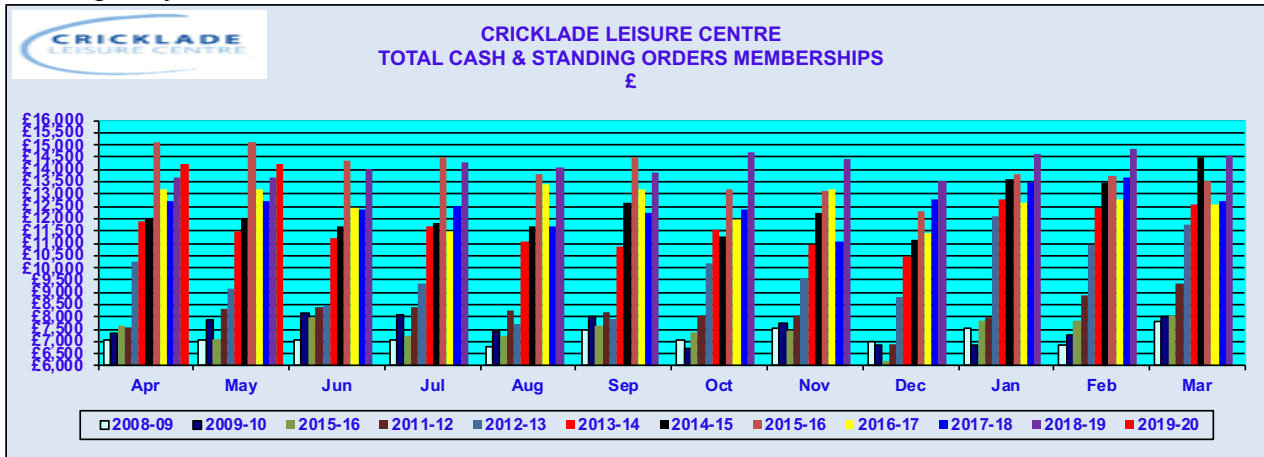
| HEADING | EXPEND MAY 2019£ | EXPEND MAY 2018 £ | EXPEND MAY 2017 £ | EXPEND MAY 2016 £ | EXPEND MAY 2015 £ | EXPEND MAY 2014£ |
|----------------|------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| Pay | 52,149 | 49,631 | 47,643 | 45,933 | 43,550 | 38,137 |
| Premises | 25,481 | 26,175 | 24,245 | 23,061 | 19,857 | 23,258 |
| Administration | 7,155 | 4,517 | 4,509 | 9,528 | 8,927 | 8,088 |
| Fees | 3,833 | 4,320 | 4,925 | 3,726 | 1,881 | 5,871 |
| TOTAL | 88,618 | 84,643 | 81,282 | 82,248 | 74,215 | 75,354 |

| HEADINGS | ACTUAL LAST YEAR | PLAN FOR 2019/20 | PLAN TO DATE | YEAR TO DATE | VARIANCE TO DATE | NOTES |
|--------------------------------|------------------|------------------|---------------|---------------|------------------|---------------------|
| EXPENDITURE | £ | £ | £ | £ | £ | |
| Wages | | | | | | |
| Management | 61,709 | 60,000 | 10,000 | 9,852 | 148 | Change in structure |
| Duty Managers | 85,860 | 80,000 | 13,333 | 14,078 | -745 | |
| Reception/Administration | 4,628 | 7,500 | 1,250 | 1,002 | 248 | |
| Recreation Assistants | 81,461 | 85,000 | 14,167 | 14,407 | -240 | |
| Wetside Coaches | 24,121 | 25,000 | 4,167 | 3,434 | 733 | |
| Dryside Coaches | 51,330 | 46,500 | 7,750 | 7,862 | -112 | |
| Cleaners | 3,518 | 3,000 | 500 | 534 | -34 | |
| Maintenance | 6,428 | 5,664 | 944 | 980 | -36 | |
| TOTAL PAY | 319,055 | 312,664 | 52,111 | 52,149 | -38 | |
| NON PAY | | | | | | |
| Premises | | | | | | |
| Electricity | 27,894 | 20,000 | 3,333 | 4,672 | -1,339 | |
| Gas | 17,885 | 18,000 | 3,000 | 2,379 | 621 | |
| Insurance | 4,767 | 4,750 | 4,750 | 5,037 | -287 | |
| Alarms Maint | 2,532 | 1,000 | 167 | 362 | -195 | Alarm replacement |
| General Rates | 8,036 | 9,800 | 1,633 | 1,639 | -6 | |
| Rubbish | - | 2,500 | 417 | - | 417 | |
| Water Rates | 9,967 | 7,500 | 1,250 | 1,185 | 65 | |
| Pool Chemicals | 4,339 | 4,000 | 667 | 69 | 598 | |
| Repairs & renewals | 17,914 | 20,000 | 3,333 | 2,366 | 967 | |
| Cleaning | 10,655 | 10,000 | 1,667 | 1,633 | 34 | |
| Gardening | - | 500 | 83 | - | 83 | |
| Depreciation | 39,483 | 36,834 | 6,139 | 6,139 | 0 | |
| TOTAL PREMISES | 143,472 | 134,884 | 26,439 | 25,481 | 958 | |
| Administration | | | | | | |
| Uniforms | 275 | 500 | 83 | - | 83 | |
| Training (incl travel) | 4,621 | 5,500 | 917 | 30 | 887 | |
| Advertising/Marketing | 1,558 | 4,500 | 750 | 255 | 495 | |
| Telephone | 2,139 | 3,000 | 500 | 409 | 91 | |
| Stationery/Postage | 1,478 | 3,000 | 500 | 69 | 431 | |
| Computing Equipment | 1,499 | 2,500 | 417 | 1,181 | -764 | |
| Office Equipment | 2,819 | 1,000 | 167 | 460 | -293 | |
| Party Food | 3,032 | 1,500 | 250 | 490 | -240 | |
| Sports Equipment (day to day) | 7,173 | 6,500 | 1,083 | 35 | 1,048 | |
| Swimming Badges | 1,948 | 1,500 | 250 | - | 250 | |
| Donations | - | - | - | - | 0 | |
| Misc | 6,972 | 5,000 | 833 | 4,226 | -3,393 | |
| TOTAL ADMINISTRATION | 33,514 | 34,500 | 5,750 | 7,155 | -1,405 | |
| Professional Fees | | | | | | |
| Audit | 1,510 | 2,000 | 333 | - | 333 | |
| Legal/Licences | 2,976 | 2,000 | 2,000 | 1,940 | 60 | PRS Annual fee |
| Payroll/Accounts | 3,360 | 2,500 | 417 | 560 | -143 | |
| Loan Interest/Fee | 4,341 | 5,100 | 850 | 621 | 229 | Per loan Schedule |
| Bank/Credit Charges | 4,916 | 6,000 | 1,000 | 712 | 288 | |
| TOTAL PROFESSIONAL FEES | 17,103 | 17,600 | 4,600 | 3,833 | 767 | |
| TOTAL EXPENDITURE | 513,144 | 499,648 | 88,900 | 88,618 | 282 | |

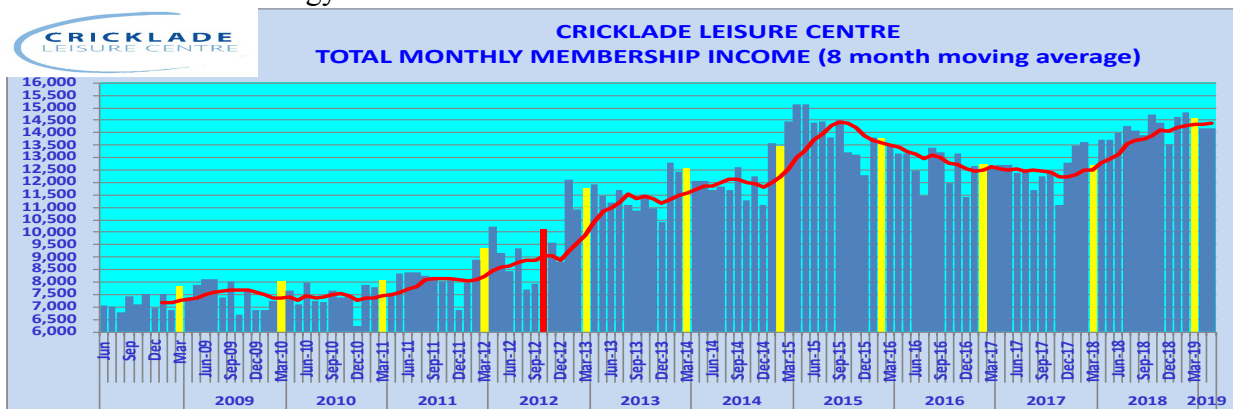
Key Success Factors

Membership

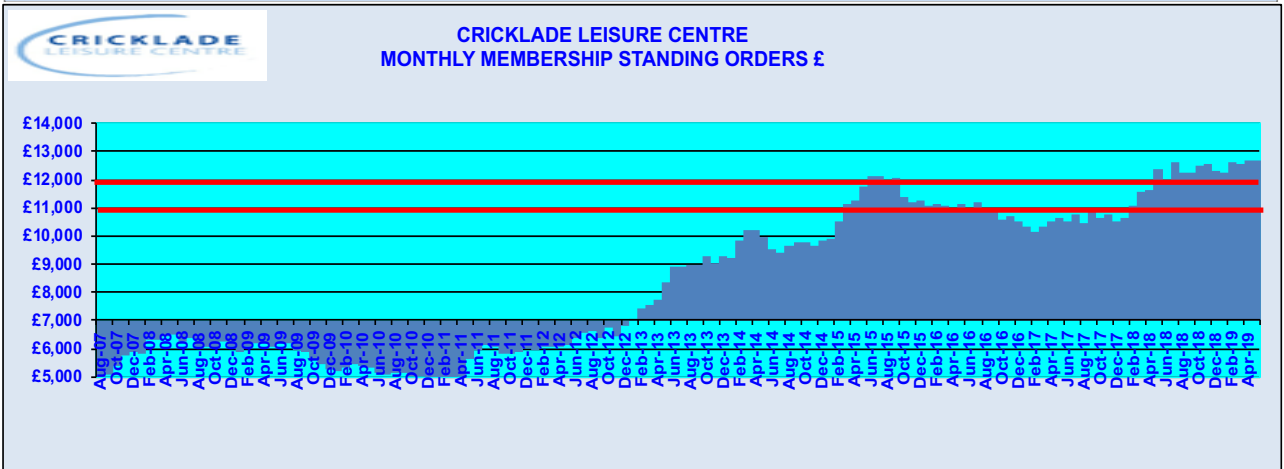
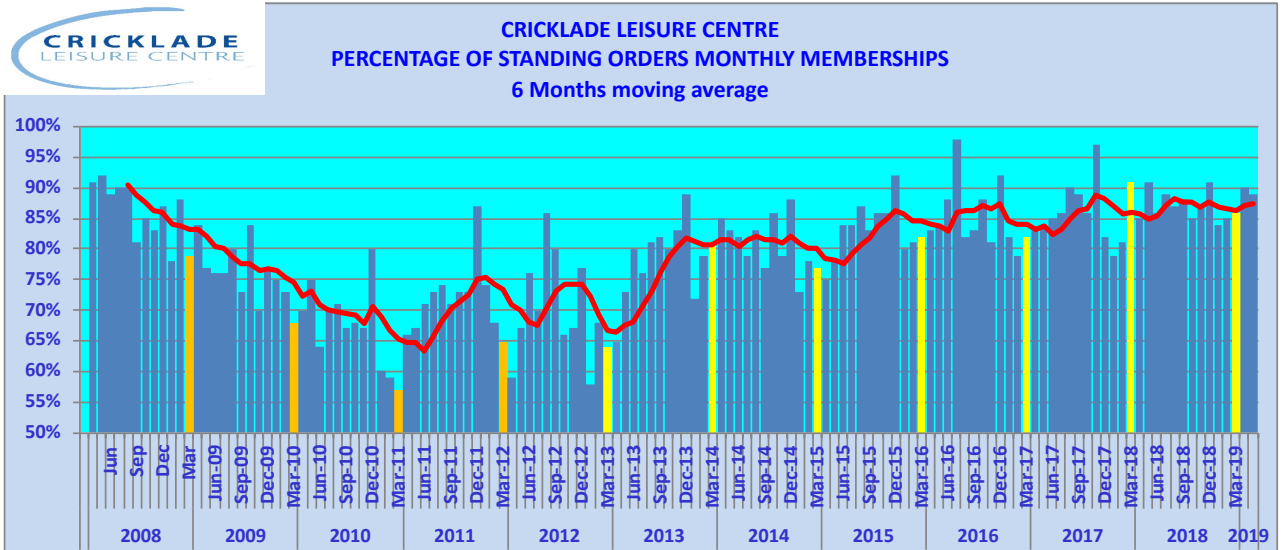
Membership is a key part of our financial sustainability. There has been a marginal drop on last year - probably triggered by the uncertainty over the commencement of the redevelopment, and the affect particularly on potential temporary closures.



The red bar below is when the gym was refurbished.

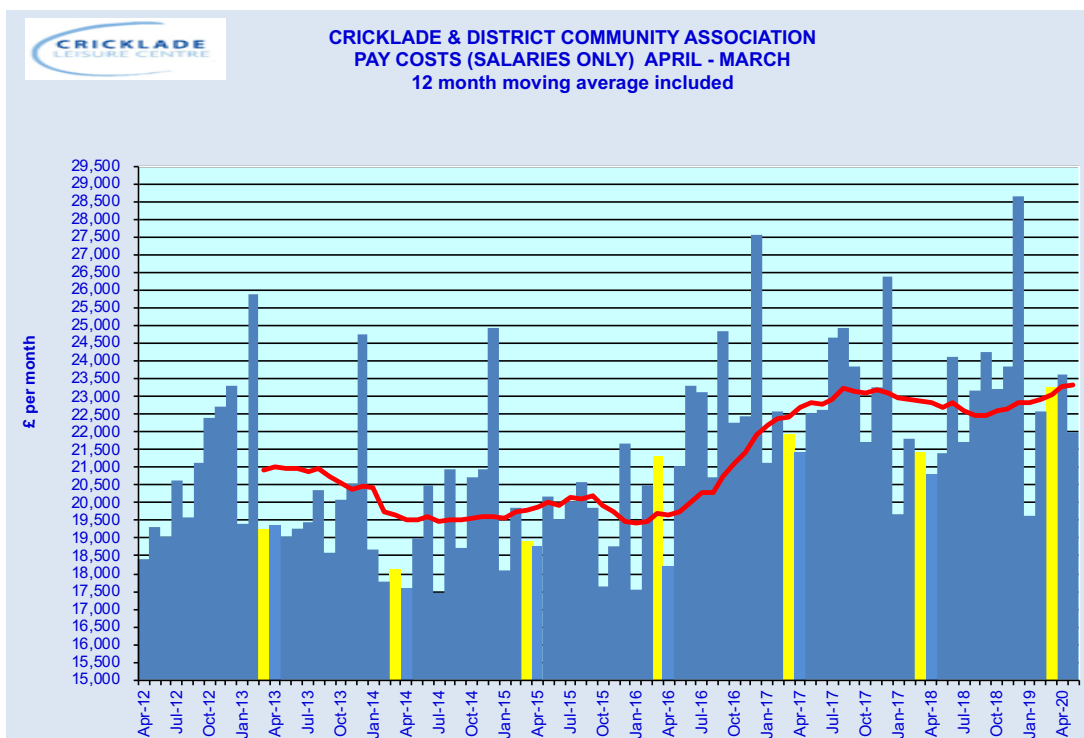
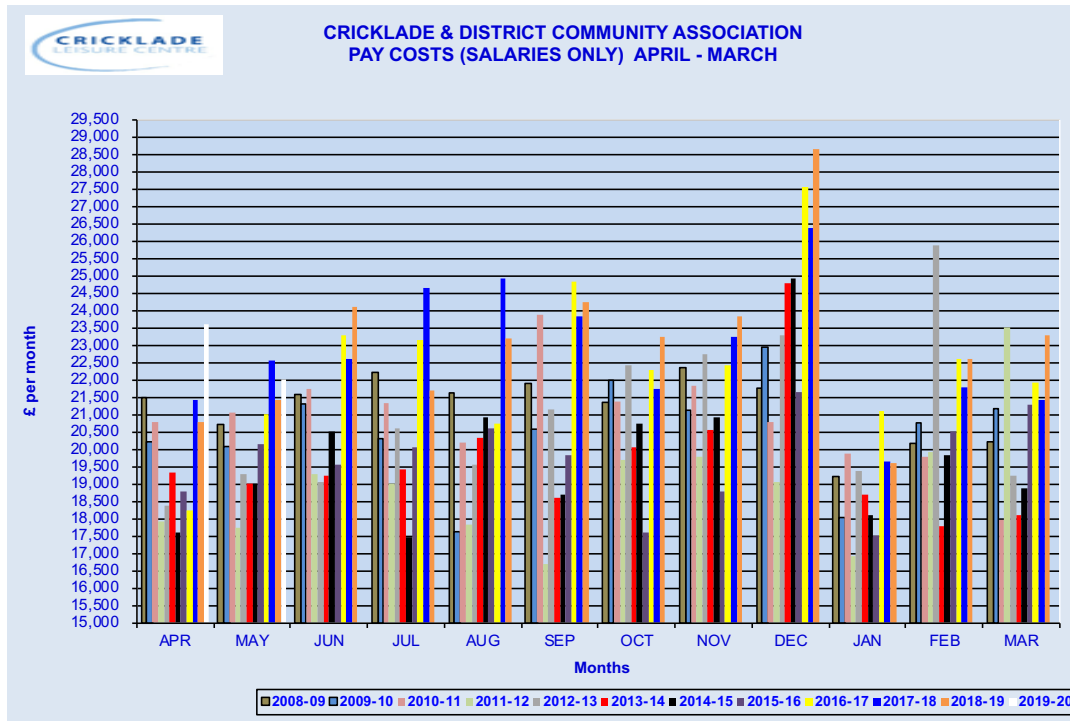


Cash memberships are an important part of our income. However, standing orders are important, because they are less prone to fluctuation! They are now running above £150k per annum.



Wages

Wages are above that of last year - but still no cause for concern.



Bar/Coffee Shop

| BAR/COFFEE SHOP | ACTUAL LAST YEAR | PLAN FOR 2019/20 | PLAN TO DATE | YEAR TO DATE | VARIANCE TO DATE | NOTES |
|-------------------------------|------------------|------------------|--------------|--------------|------------------|----------------------------|
| | £ | £ | £ | £ | £ | |
| INCOME | | | | | | |
| Café/Bar Income | 54,731 | 55,000 | 9,844 | 8,625 | -1,219 | 46.64% |
| TOTAL INCOME | 54,731 | 55,000 | 9,844 | 8,625 | -1,219 | TOTAL GROSS MARK UP |
| EXPENDITURE | | | | | | |
| Salaries | 16,596 | 18,000 | 3,000 | 3,002 | -2 | |
| Drinks | 11,420 | 12,000 | 2,000 | 1,899 | 101 | |
| Coffee/Bar Consumables | 28,078 | 20,000 | 3,333 | 2,703 | 630 | |
| Bar Chemicals/Gases | 305 | 250 | 42 | 81 | -39 | |
| Stock Take | 775 | 1,000 | 167 | - | 167 | |
| TV | 150 | 150 | 25 | 25 | 0 | |
| TOTAL EXPENDITURE | 57,324 | 51,400 | 8,567 | 7,710 | 857 | |
| TOTAL BAR CONTRIBUTION | - | 2,593 | 3,600 | 1,277 | 915 | -362 |

The bar takings are now combined – and the mark up reflects the mark up for bar and coffee takings.