**Financial Report for Spirit Gymnastics Academy Ltd. 13th April 2018 – 31st August 2019**

These accounts are for the period between the inception of the company on 13th April 2018 and 31st August 2019. Subsequent years will run 1st September – 31st August, meaning our financial year runs in line with the academic year and the competition season.

The company only started trading at the end of August 2018 so there are no transactions before this.

With the surplus from the Spirit Gymnastics Club (once all outstanding payments for rent of Preston Sports Hall and the 2018 London Festival trip had been paid) of £400 and an additional £25,000 director’s loan we had a starting balance of £25,400 for Spirit Gymnastics Academy.

Our major source of income are the monthly fees. We currently take £7000-£7500 per month. For comparison in July 2018 (the final month of Spirit Gymnastics in its original form) we took £3500.

Our fixed outgoings are:

* Rent and Service charges
* Business rates
* Utilities
* Coaches pay

These currently total £6000-6250 per month. For comparison Sports Hall hire from Preston for July 2018 was £1650.

Other sources of income are:

* Hall hire
* Holiday clubs
* Birthday Parties
* Our Christmas show

These have brought in over £6000 between them this year.

Other than essential monthly costs, start up costs and equipment we have paid out for:

* Competition entry
* Competition leotards
* Training courses

The shop continues to break even.

The workshops (by Perdie Millard and Nik Thorne) that we ran broke even.

Other events, summer and xmas parties and the awards evening also broke even.

Details of Start up costs

Start up costs to get the lease drawn up and building fit for purpose before we could open were just over £16,000. These included; large sums for the legal fees, lighting & fire system; smaller amounts for viewing windows and furniture; small items such as folders, clipboards and cleaning products.

There was another investment in a rig, sprung floor, benches and other smaller items of gym equipment early in 2019. These totalled £5500. They were necessary to be able to coach gymnastics to the level, and in the manner, that was required. As such I have included them with the other start up costs.

Another major start up cost has been the 3 month’s rent deposit we paid in January. In lieu of the Director’s taking responsibility for the lease the landlord agreed to take a total of 6 month’s rent as a deposit. This totals £23,000. We have paid the first instalment of £11,500 and will be paying the second over the next couple of quarters. As long as we are still running at the end of the ten year lease this sum will be returned to the club.

Other outgoings

Competition entries should break even but we have lost money this year. To combat this from 2020 we will be charging competition entry before entering the gymnast.

We have needed to build up our stock of competition leotards. We have far more partnerships competing. We have spent £3700 and leotards and diamontes. We have increased the cost of hire from £10 to £15. Bearing in mind we have ended up paying £40 per leotard to hire from other clubs when we haven’t had leotards suitable for a partnership we feel this is still reasonable.

We have spent £3,300 in the various training courses we have invested in. We have now received a grant from Sport England to spend on training courses over the next 12-18 months. We have two level 1 courses booked and will be booking more shortly.

Summary

In financial terms we have had a successful first year and are still solvent. A lot of our investment has been on equipment and clothing that has increased the value of company assets. This first year has been, and was always going to be, far more expensive than subsequent years. Start up costs, essential gym equipment, training (that we now have a grant to cover) and the rent deposit have cost in the region of £35,000. These are not expenses that will be repeated, and while there will expenses for maintenance and inevitably other unforeseen expenses, and we still have £11,500 for the rest of the rent deposit, we will have far fewer outgoings in our next year, and should start to build up a surplus. From a financial point of view the priorities will be putting this surplus towards a reserve of funds (ideally 3 months running costs) while still allowing spending on improving the facilities, increasing coaches pay, building our store of leotards and providing added training opportunities for gymnasts.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Summary for Spirit Gymnastics Academy Ltd 13th April 2018 - 31st August 2019** | | | | | |
|  | **ACTUAL 2018-19** | |  | **FORECAST 2019-20** | |
|  | INCOME | EXPENDITURE |  | INCOME | EXPENDITURE |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Fees for Gymnastics Sessions | 82405.33 |  |  | 90000 |  |
|  |  |  |  |  |  |
| Fixed Outgoings |  | 58542.45 |  |  | 70000 |
| (Rent, service charge, utilities |  |  |  |  |  |
| business rates, coaching fees) |  |  |  |  |  |
|  |  |  |  |  |  |
| Start up costs |  | 16789.96 |  |  | 0 |
| (legal fees, lighting, fire equipment) |  |  |  |  |  |
|  |  |  |  |  |  |
| Gymnastics equipment |  | 5639.68 |  |  | 2000 |
|  |  |  |  |  |  |
| Competition entries/costs | 3072 | 5970.44 |  | 5000 | 5000 |
| Competition leotards | 1845 | 3772.63 |  | 2000 | 2500 |
|  |  |  |  |  |  |
| Other income | 12588.38 | 6095.51 |  | 10000 | 5000 |
| (Hall hire, parties, holiday clubs) |  |  |  |  |  |
|  |  |  |  |  |  |
| Other outgoings |  | 1102.18 |  |  | 1500 |
|  |  |  |  |  |  |
| Events for gymnasts | 1488 | 1456.98 |  | 1500 | 1500 |
| (parties, awards evening) |  |  |  |  |  |
|  |  |  |  |  |  |
| Workshops | 1125 | 1011.13 |  | 1000 | 1000 |
|  |  |  |  |  |  |
| London Festival | 2255 | 3427.97 |  | 3500 | 3500 |
|  |  |  |  |  |  |
| Shop | 7398.08 | 6654.5 |  | 8000 | 7000 |
|  |  |  |  |  |  |
| Training costs |  | 3113.85 |  |  | 4000 |
| Training Grant | 6547 |  |  | 0 |  |
|  |  |  |  |  |  |
| Bank charges |  | 313.04 |  |  | 500 |
| Loan repayments |  | 5761.92 |  |  | 5761.92 |
|  |  |  |  |  |  |
| Rent Deposit |  | 11550 |  |  | 11550 |
|  |  |  |  |  |  |
| TOTALS | 118723.79 | 131202.24 |  | 121000 | 120811.92 |
|  |  |  |  |  |  |
| Surplus/Deficit for the year |  | -12478.45 |  |  | 188.08 |
|  |  |  |  |  |  |
| Starting cash balance | 25400 |  |  | 12921.55 |  |
| Ending cash balance |  | 12921.55 |  |  | 13109.63 |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
|  | **Spirit Gymnastics Academy Ltd** | |  |
|  | **Statement of financial position as at 31st August 2018** | | |
|  |  |  |  |
|  |  |  |  |
|  |  |  | £ |
|  | **Assets** |  |  |
|  | **Non-Current Assets** |  |  |
|  | Equipment |  | 25000 |
|  | leotards/costumes |  | 7500 |
|  |  |  |  |
|  |  |  | 32500 |
|  |  |  |  |
|  | **Current Assets** |  |  |
|  | Shop Stock |  | 2300 |
|  | Cash |  | 12921.55 |
|  |  |  |  |
|  |  |  | 15221.55 |
|  | **Total Assets** |  | 47721.55 |
|  |  |  |  |
|  | **Equity and Liabilities** |  |  |
|  |  |  |  |
|  | **Equity** |  |  |
|  | Share Capital |  | 0 |
|  | Retained Earnings |  | 7421.55 |
|  | Revaluation Reserve |  | 0 |
|  | **Total Equity** |  | 7421.55 |
|  |  |  |  |
|  | **Non-current liabilities** |  |  |
|  | Long-term borrowings |  | 22988.08 |
|  |  |  |  |
|  | **Current Liabilities** |  |  |
|  | Creditors (rent deposit) |  | 11550 |
|  | Current portion of long-term borrowings | | 5761.92 |
|  | Current tax payable |  | 0 |
|  | **Total current liabilities** |  | 17311.92 |
|  | **Total liabilities** |  | 40300 |
|  | **Total equity and liabilities** | | 47721.55 |
|  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | | | |
| **13th April 2018 - 31st August 2019** | | | | |
|  |  |  |  |  |
|  | Turnover |  | 112176.8 |  |
|  | Cost of sales | | -29491.3 |  |
|  | Gross Deficit/Surplus | | **82685.45** |  |
|  |  |  |  |  |
|  | Other income | | 6547 |  |
|  | Administrative expenses | | -84399 |  |
|  | Other expenses | | -11550 |  |
|  | Finance Charges | | -5761.92 |  |
|  | Total Expenses | | **-95163.9** |  |
|  | Net Deficit/Surplus | | -12478.5 |  |
|  |  |  |  |  |