**Financial Report for Spirit Gymnastics Academy Ltd. 1st September 2019– 31st August 2020**

September 2019 – March 2020

Our major source of income is the monthly fees. Pre-COVID closure the average monthly fees income was £7900.

Our major, fixed outgoings are:

* Rent and Service charges
* Utilities and premises costs
* Coaches pay

From September 2019 – March 2020 these totalled approx £7000 per month.

Another source of income for this period was the Christmas Show, hall hire, holiday clubs and parties. These totalled £8000.

Lockdown Period April 2020 – June 2020

Our running costs dropped to approx. £5500

Our monthly fee income declined over this period, however we obtained the government grant of £25,000 and a Sport England grant of £10,000

We also took out a £20,000 COVID Government bounce back loan. This was used to repay the balance on the Directors initial investment on moving into the Academy.

Coming out of Lockdown, July 2020 - August 2020

Restarting outdoor lessons had no real effect on finances, our fees rose by the same amount as the wage bill.

Restarting indoor lessons in August increased income, but also running costs and wages.

There was also significant expense involved in preparing the gym to reopen.

Summary

During a turbulent year, the financial position of the Academy has been resilient. In our second year, if COVID-19 had not interrupted, we would have started to see a sustainable, if small surplus to reinvest into the Academy. We started the process of reinvestment through pay rises to our coaching staff and new equipment (coaching blocks and floor).

As COVID-19 impacted the Academy, the continuation of fee payment from our members, paired with government and Sport England Grants, ensured that we survived the first lockdown period. Since this time, we have been running at a slight loss reflected in the reduced class sizes and increased wage bill to ensure that the Academy remains a COVID Secure environment.

We have now demonstrated that we are a sustainable enterprise that, though impacted by COVID-19, should start to deliver on our Business Plan going forward as long as we do not suffer another ‘strategic’ financial shock such as a prolonged second lockdown.