

## **Basingstoke Bluefins Financial Report**

### **Season ending 31 August 2020**

During the season the club had a financial surplus on its activities of £1.3k and ended the year with cash on hand of £70k. This compares to a loss of £69k in the previous season with ending cash reserves of £47k.

There are three main areas of activity for the club

- 1) Swimming Operations. This encompasses providing lessons for children at the Cranbourne and QMC swimming pools and running swimming squad training for all ages based at four pools in the area.
- 2) Competitions. Running swimming galas at our home pool and sending swimmers and coaches to attend away galas.
- 3) Administration. The administration costs of running the club as a whole. Administration Staffing, professional services, bank charges and office costs are included here. We aim to cover the administration costs of the club by making a surplus in Swimming Operations and Competitions.

In the previous season the financial problems became evident in April 2019. The actions to rectify the situation initially concentrated on the lessons programme and then moved onto the squad structure and administration processes. The new lesson structure was implemented for the start of this season in September 2019. . A new squad training programme was introduced in November 2019. Administration processes and staffing were also changed at this time.

The new structures and processes ran until mid-March 2020. At this time all swimming operations were placed on hold due to the COVID-19 lockdown and did not resume until early August 2020. During the lockdown the club did make use of the Job Retention Scheme, furloughing staff when appropriate and practical. The club did not collect any squad fees from members during the lockdown, unlike many other swimming clubs. Essentially the club ran squad swimming operations for 7.5 months, including substantially reduced time in August. Lessons stopped in March and did not resume due to the COVID-19 restrictions. This dramatic change makes season to season comparisons difficult and somewhat meaningless.

### **Swimming Operations**

In the season Swimming Operations actually made a surplus of £36.2k. In the previous season we had made a loss of £23.9k. This surplus is in line with expectations and is at a similar level to past years, when the club had successful financial results. Monies collected from lessons and squad fees were £195k. This was obviously lower than the previous full season, but revenue was collected at the rate expected during the months of normal operation. Income from lessons was not at the level we would have liked but did show an improvement over the previous season. The improvement in profitability was driven by the better allocation of staff, both teachers and coaches, and better utilisation of the pools that we hired. This was the intention of the plans that were developed in the summer of 2019 and they have been financially successful. We have reduced the cost of pool hire to be 46% of membership fees from 51% in the previous year. Wages costs for teachers and coaches has been reduced to 35% of membership fees from the previous

year's 48%. Savings were particularly significant in the area of teacher's wages. The coaches and teachers should be congratulated for implementing these efficiencies effectively!

### **Competitions**

A total surplus of £4.4k was made compared to £1.7k in the previous season, despite the significantly curtailed programme. There was an increased focus on running competitions planned for the season and many more volunteers came forward to help run these events. Unfortunately the competition programme was cut short by the lockdown and we were unable to run home events during the summer months which would have generated more income for the club. Despite this we still generated £10.1k in home meet income during the season with a direct profit of £6.8k.

Attendance at away meets and water polo tournaments broke even i.e. the entrance fees collected from competitors covered the costs of attending the meets (entrance fees, coaches expenses etc). This is a significant improvement over the previous season when we lost money on this activity.

The depreciation charge for the club's timing equipment used in competitions was £2.4k. This timing equipment will be fully depreciated in the next season.

### **Administration and Other Costs**

Total administration and other costs were £39.2k This is £5.9k lower than the previous season. A significant contributor to this (£4.7k) was bringing the payroll processing "in house" and running it through the Xero accounting system. Fundraising and donations brought in over £1.3k and the general "belt tightening" across all administration areas is starting to take effect.

In summary the club has ended the financial year in a much stronger position financially than at the last year end. Disastrous losses incurred in the previous season have been stopped and we are now breaking even despite the difficult operating environment. As at 31 August 2020 we have over £70k of cash on hand in our bank accounts and total net assets of £49k. This improved cash position has been driven by better debtor management. The measures that were begun in April 2019 have had a positive impact throughout the club. We now have a reduced programme due to the unviability of the early stage lesson programme caused by COVID restrictions. It is unlikely that the club will resume them in the foreseeable future. Our monthly operating expense has therefore been reduced and our net cash reserve of £47k represents about 2.5 months of expenditure with our current training programme. This is below the Trustee's target of 3 months, but once our competition schedule returns to normal we should be able to continue rebuilding our reserves to the required level.