

**COTSWOLD GLIDING CLUB  
TREASURER'S REPORT  
YEAR ENDED 30 SEPTEMBER 2002**

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**Results**

Turnover for the year was £141,811 without any competitions revenue, compared with £155,328 for the previous year that included the Junior National Championships.

After direct costs of operations, the gross profit contribution towards overheads was £73,039 compared with £69,084 in 2001. Overheads totalled £70,216, including depreciation of assets of £24,047, against £72,547 in 2001. This left an operating surplus before interest of £2,823 compared with an operating loss in 2001 of £3,463. Interest receivable of £805 and a prior year credit in respect of the 2001 Juniors competition resulted in a retained surplus of £5,018 for the year.

**Cash Flow**

The retained profit of £5,018 with the depreciation charges of £24,047 and the annual £3,000 provision for runway maintenance added back, provided a gross cash flow of £32,065 before changes in working capital in the form of debtors, prepayments, flying account balances, creditors, deferred income and stock. Capital expenditure, net of the sale of the club's Ka6CR glider, was £4,091, resulting in an increase in cash balances during the year of £38,355 to end with a balance sheet position on 30 September 2002 of £69,425 cash on deposit and current accounts.

**Activity levels**

Total winch launches were 8,689, of which 1,959 were course launches (for 74 course members) and 1,151 trial lessons and mini course launches. Club full members' and reciprocal members' launches were 5,579, some 2,000 below the peak years in the mid 1990s. There were 171 full flying members on the books at 30 September 2002, some 50 or so below peak levels of some years ago.

**Balance Sheet**

Net equity has improved as a result of the small profit, to £224,964, but this is with the capital assets (other than land which is owned by Aston Down Farms Ltd – the company set up for the purpose by the Club in 1981) at a net book value after depreciation of £106,985, whereas the committee valuation of the capital assets is some £327,000, being mainly the buildings and the Skylaunch winch.

Net current assets of £47,982, including the cash balances of £69,425, represent a stronger position than at the previous year-end. Members' flying accounts, with a net balance of £24,211 owing to members and trial lesson prospective members for flying paid in advance, are a significant source of liquidity for the club.

**Commentary on results**

Detail of revenues and direct operating costs are set out on pages 8 and 9. These reveal that the cost of a winch launch (page 9, foot), including depreciation of gliders and ground equipment, was just below £6.00 for full club members, some £7.52 for trial lessons (by inclusion of advertising costs) and £14.46 for course members, for which the costs of the course instructor and tow car driver are included. These costs do not include the non-recoverable input VAT on the direct cost expenses, as this is shown in the indirect or overheads as a single figure (£6,256 page 4) for the whole of the club's operating and overhead expenditure. If apportioned to the direct costs, the non-recoverable input VAT would add approximately £0.58 to each of the above launch costs, making a full members' average launch cost around £6.56.

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Whilst the courses showed a negative contribution (£4,446 – page 8 column 3) towards club overheads, the benefit of having a resident instructor and a tow car driver during weekdays in the season benefits ordinary club members. With the success of our course instructor, Bo Nilsson, last season, and the absence of any complaints from course members, course prices could be increased to more economic levels for the club for 2003.

**The Economics of the Club and the Future**

The Club is not profitable enough to expand its facilities. Whilst the cash flow is satisfactory, it is only so because there is some £24,000 p.a. of depreciation charges without any material capital expenditure in 2002. A surplus of only £5,000 p.a. is insufficient to grow the club. The volume of activity has dropped off in the last half decade, from the peak of 1995/96 and this needs to be redressed by offering a more varied programme of activities to generate the volume of launches and attract more members. The club has the capacity to have some 230 to 250 full members. The lack of reliable aerotow facilities is a significant barrier to attracting experienced pilots, as well as younger competition-orientated pilots who have gravitated to Nympsfield.

Prices must reflect the real cost of the facilities provided, to all groups of members. The equation must not be driven solely by a desire for the lowest cost; it is very much about value for money in an era where many people value time more than the pure cash cost of gliding.

The strengths of CGC were built by a generation of pilots who created a family atmosphere at Aston Down, however, this was in a time when there were far fewer competing activities, and equally importantly, far fewer working partners. As well as consolidating our core of dedicated older members, we need to think of ways to attract and retain a new generation to continue this family tradition.

If we are to be successful we will have to create a pleasant and welcoming atmosphere where pilots are happy to invite their non-flying partners and where their families can also share our facilities.

As many of you will already know, I have had to resign from the Committee, due to work commitments. However, I would like to take this opportunity to thank David Roberts for stepping in at short notice and for his work in preparation of the YE accounts. My successor now has a solid basis upon which to budget and plan for the next few years.

Chris Swann  
Treasurer

4<sup>th</sup> December 2002