

REPORT ON PAVILION ACCOUNTS 2017/18

The new Store is complete other than painting. We just need to let the floor dry out a bit more before moving the furniture in. The Kitchen Building is up, the roof and ceilings completed, the basic floor is in, the plumber is working his magic, first fix electrics are complete and the plasters will finish in the next couple of days. The next step is to get the cladding and flooring done ready for the installation of the kitchen equipment which has not yet been ordered. The cash to pay for it all has more or less been raised. To date we have raised a few pounds short of £50,800, of which only £12,500 has been grants. The current estimates to complete the project is £51,731 a shortfall of £1,131. However there are probable savings on the builders costs of maybe £500 and we have not yet spent the £500 contingency and a possible savings on the lighting of £100. I am also still working on savings on the flooring and cladding.

Again this year because of the building project we do need to split the Profit & Loss Report into 2 sections, the first being the trading figures just to do with the Pavilion as it is and secondly the building project which of course has dwarfed the trading figures.

It has been decided that the accounts for the Foundation due to the income levels should be subjected to an internal audit, which obviously has not yet been carried out. Thus all the figures I am talking about are for this reason provisional. There are significant complications to the spread sheets used to record all the accounting entries due to VAT registration and we will have to work on the best way forward. In the year there were 260 transactions.

Actual Trading Profit was £946 or 15% of Revenue compared to a budget of £800 and £784. The trading revenues at £6,288 were down £334 from last year but was £918 lower than budget. This was caused partially by loss of revenues when we registered for VAT without being able to pass the 20% onto our users, partly by some losses during the building works which was inevitable. The Art Society decided to hold their annual exhibition in Sidmouth in August 2017 meaning we lost £500 of revenues. We obviously are in a different league from Kennaway House. In addition I have again spent a significant amount of time on the fund raising effort for the new kitchen and not sufficient time on marketing. Of the £6,288 of trading income, £5,076 was from regular bookings amounting to 93% showing our regular users supported us during this difficult phase. Income from one-off functions at £1,212 was up 2% on 2017, and has again been affected by the inability to let the Pavilion on most Saturday and Sunday afternoons during the May to August period. However during the current year it was decided by both the Parish Council and the Trustees that the £200 pa compensation for this would not only cease but all unpaid amounts totalling £1,000 would be reversed in 2018. This changes the actual £946 profit into a £54 trading loss.

The three largest earners for the Pavilion were the Lunch Club, The Tap Dancing Class, and the Table Tennis Club totalling £2,532 or 55% of regular revenue. The Lunch Club was the biggest earner at £1,211 for the year.

The new kitchen and furniture storage area will allow for the old skittle alley to be used as an additional letting area which would then allow cricket and childrens parties to coexist. It might also be possible to allow a small group to use the hall at the same time as a large group. We did not increase our rates last year, and I do not feel we need to this year either. However we have been advised that we should register the Charity for VAT so we can claim £10,000 of VAT. This will have some effect on charge out rates although sporting organisations are exempt from VAT. We are competitive with the Village Hall who is now charging £8 an hour compared to our £8.30. Harpford Hall also charges £8 an hour but is substantially smaller and only has limited street parking but it is very good for smaller meetings. Once the works are complete we will need to look at the rates bearing in mind our costs and the effect VAT has on our income. Obviously, by registering for VAT we will be able to claim back VAT on our maintenance costs as well as our gas and electricity costs.

Utilities at £2,347 were up on last year but just below budget. This was caused by a prolonged cold spell and increased heating costs partially due to the building works and inefficiencies in the heating system which needs de-clogging. This is due to be done in the coming weeks. Maintenance at £1,372 was significantly lower than last year and lower than the £1800 budget. Insurance at £854 was higher than expected due to a reallocation. Cleaning with materials at £749 was significantly down on last year and budget due to the fact we have been without a cleaner since Christmas. Rosemary and I have been doing the cleaning since then for free.

The outlook for the Pavilion is very good. The new commercial kitchen will allow us to get into new markets like small conferences, budget weddings as well as the possibility of having 2 rooms for hire at the same time. In addition with effect from the beginning of April the field revenues and costs will become part of the Foundation. However there is still significant building works to be done on the Pavilion and I will be working to set priorities and gets costs for these works. There is some interest by the football and cricket clubs to enlarge the changing rooms and shower areas with external funding. I will be working with these parties to reach that goal. We also are considering the enlargement of the car park as it is becoming insufficient for our needs. This will mean moving the fence and putting special matting on the existing grass to ensure good traction.

Geraldine Swan continues to be my deputy and has done a terrific job handling a couple of crises while I was away. Paul Hayward, our Parish Clerk, and I are working together to get through some of the difficult issues of the Parish Council being the Sole Managing Trustee and therefore both parties are the same but have different priorities. We still have some spare slots and I will be working hard to find new organisations to take up these spare slots.

The Bank Balances at March 31, 2018 at the Co-operative Bank was £2,735 in the Main account and £31,135 in the Kitchen Fund Account. Since then we have won a further grant of £5,500 plus some additional fund raising.