

## Half year financial report for BMGC and TAL

### July 2009

The treasurer was concerned at the beginning of the year as to the financial implications for BMGC and TAL with the continuing “recession” and “credit crunch”. Activity suggests that if the weather is reasonable flying levels have been maintained and we are currently a couple of weeks ahead of last year although the position with recent poor weather is deteriorating. There is some concern that the usual autumn “expeditions” have not booked in this year yet and it may be worthwhile considering a “chase up” from our Director with responsibility for marketing. September and October usually provide levels of flying which are “in addition” to those needed to cover our operating costs [approximately 1600 flights per annum] and thus provide the bulk of the years “profit”.

The current financial situation is that we have covered all of the main expenses for the year and have a full[ish] fuel tank. We currently hold about £38K in the bank. A contingency fund of £20K will be maintained and as agreed at the AGM this year, the Treasurer will continue to repay debt. We have repaid £4000 to debenture holders with a further £1000 claim anticipated. We will pay off approximately £1000 from the mortgage without making any additional payments. However the Treasurer would like to repay the mortgage and if income levels are maintained consider repaying more than the £3500 due in September to the Phillip Wills Memorial Fund. I would plan for a “break even” or even a small “loss” on the books this year to minimise corporation tax payments. Thus, with a fair wind debt repayment of somewhere in the region of £24,000 could be achieved this year with the only remaining liability being debenture holders of about £39,000. Repayment at current rates would suggest that the club could be debt free by the end of 2011 unless a decision was made to use the contingency fund for debt repayment in which case debt free by the end of next year. I would advise against this. There is of course a potential liability of a considerable sum on top of this for any requested interest repayments which would [if all claimed interest] push these dates back by a further year. This should continue to be our main financial goal with minimal plans for further capital expenditure.

We have agreed to complete the “Briefing Room Complex” and complete all electrical and fire safety work. Small projects [improvements at fuel store] remain uncompleted with funding available for these. We have purchased and upgraded the Pirat and the TOST tow hook and provided the weather station and webcam. A decision still needs to be made on the simulator. It was agreed that this would be reviewed at the mid point of the year. However a planned visit by some members to the simulator at Aston Down has still not taken place as they are having difficulties with their simulator. The Treasurer is still not persuaded by the “business case” and any decision to proceed will impact on debt repayment although £4000 was agreed as the budget available for the project. Hopefully the CFI will update us on the position regarding this later in the meeting.

The treasurer agreed a 3 year “stint” which will be up next year and he hopes to commence working with a volunteer in the next few months to enable a smooth transition after the next AGM.

Overall, a healthy picture. Lets hope for good weather and no unplanned financial surprises! I intend to plan next years budget during November and December. IF THERE ARE ANY CAPITAL BIDS IN THE PIPELINE FOR NEXT YEAR\_PLEASE ADVISE ME SOONER RATHER THAN LATER.

We work to a tight budget and I will not accept further capital bids once the budget has been set.

CLIVE MICKLEWRIGHT  
JULY 25<sup>th</sup> 2009