

fitness

MARKET MONITOR

driving business performance

Client Agreement



Introduction

This Agreement relates to the provision to you of the Fitness Market Monitor, a new benchmarking service which tracks and reports to health and fitness operators the key indicators in consumer behaviour within the health and fitness sectors.

The Fitness Market Monitor service is provided by The Leisure Database Company Limited trading as **Fitness Market Monitor of 33 Bedford Street, Covent Garden, London WC2E 9EJ**, on the terms of this Agreement which includes the Standard Terms and Conditions as well as the various Appendices which are attached and form part of this Agreement.

We are the owners of intellectual property rights in the definitive database relating to health and fitness facilities in the United Kingdom.

We use Mosaic, the leisure industry standard in customer profiling. This enables us to make use of unique data sets in order to provide you with the Fitness Market Monitor service.

How the Fitness Market Monitor service operates

You, the client, agree to supply certain defined metrics fully and completely for every month of the duration of this Agreement. These metrics are defined and further specified further in this Agreement. As an option, you may wish to specify competitor sets with which you can compare the performance of competitors with sites where you provide health and fitness facilities.

We use the metrics you supply with data we already collect and hold in order to provide you with monthly reports. Our reports give you relevant benchmark indicators of performance against trends apparent from targeted competitors and the industry at large on a national and/or regional basis.

So as to ensure that you derive maximum benefit from the reports we supply, it is fundamental to this Agreement that you ensure that the metrics you provide are complete and accurate (in accordance with the requirements specified in the relevant Appendices). The metrics must be given to us in full and within the time frames specified.

Agreement

In order to establish our Agreement with you on the terms of the foregoing, the Standard Terms and Conditions for the provision of the Fitness Market Monitor service and the Appendices attached, each of us have hereby executed and dated this Agreement as follows:

Signed for and on behalf of THE LEISURE DATABASE COMPANY LIMITED trading as FITNESS MARKET MONITOR (registered in England under company number 01534942) whose registered office is at 33 Bedford Street, Covent Garden, London WC2E 9EJ

Signed by:

Name and Title:

Date:

Signed for and on behalf of [CLIENT – complete details to show legal personality]

I confirm enrolment of sites @ £145 + VAT per site

Signed by:

Name and Title:

Date:

Registered Office Address:

Registered Company Name:

Registered Company Number:

For promotional purposes it may be beneficial for FMM to disclose the names of companies committed to the service. Please tick the box if you would like us to keep your involvement anonymous.

NB: The Commencement Date means the date in which the Agreement comes into force, being 1st December 2008 or the date on which FMM confirms its acceptance that the first set of Metrics submitted by the Client is suitable for the provision of the FMM Service, whichever is the later.

Standard Terms and Conditions for the Provision of the Fitness Market Monitor (FMM) Service

These Standard Terms and Conditions ("Terms") form part of and are incorporated into the Agreement between FMM and the Client to which they are attached.

1. INTERPRETATION

1.1 In these Terms, the following expressions have the meanings stated, unless the context otherwise requires:

Agreement: means the duly executed and dated agreement document as attached together with these Terms and the Appendices referred to in these Terms;

Appendix (or Appendices): any appendix or appendices setting out matters agreed as further subject matter to the Agreement;

Change Fee: a fee of £25 per Site, payable by the Client to FMM in respect of any agreed change of selection within any given Competitor Set pursuant to Term 4.3;

Client: the Client identified in the Agreement who has executed the Agreement;

Commencement Date: means the date in which the Agreement comes into force, being 1st December 2008 or the date on which FMM confirms its acceptance that the first set of Metrics submitted by the Client is suitable for the provision of the FMM Service, whichever the later;

Competitor Sets: means generic information as set out in Appendix 5 in relation to each Site which enables the FMM Service to provide information on anonymous competitors which provide competition or potential competition with the Site;

Confidential Information: means any information relating to the financial or commercial situation or strategies, developments and intentions of any Party including any trade secrets, know-how and any other information of a confidential nature imparted by any Party to any other Party throughout the Duration and whether disclosed orally or in writing;

Database Right: means the sui generis right in the Database created by the Directive of the European Parliament and of the Council of 11th March 1996 on the legal protection of databases (96/9/EC);

DPA: means the Data Protection Act 1998;

Duration: means the term and duration of the Agreement from the end of the month in which the Agreement is executed during which the Agreement shall endure as provided for by Term 13;

FMM: means The Leisure Database Company Limited trading as Fitness Market Monitor whose registered office details are shown in the Introduction to the Client Agreement.

FMM Logo: means the trade name and logo belonging to FMM which is contained in Appendix 6;

FMM Service: means the service provided by FMM as is further described in the Agreement;

Initial Period: means the initial period of this Agreement, being the first 24 months of the

Duration following the Commencement Date;

Intellectual Property: means patents, trade marks, registered designs, design rights and existing and future copyright (including rental and lending rights), rights in performances, moral rights, rights in databases (inclusive of the Database Right) and other protectable lists of information, rights in confidential information, trade secrets, inventions and know-how, trade and business names and other similar industrial or commercial rights (including all extensions and renewals where relevant) and the goodwill attached to each of them and applications for any of them and any rights or forms of protection of a similar nature and having equivalent or similar effect to any of them which may subsist anywhere in the world;

Metric Reporting Definitions: means the definitions and concepts set out in Appendix 2 which are understood by the Client as relating to the provision of the Metrics;

Metrics: means the data and information provided by the Client to FMM in respect of each of the Client's Sites and in accordance with Appendix 1 to enable FMM to provide the FMM Service;

Party (or Parties): means either or both parties to the Agreement, namely FMM and the Client;

Personal Data: means information on living individuals as further interpreted by the DPA;

Site: means individual health clubs, leisure centres or the like owned by or operated by the Client which have been notified to FMM and registered with respect to the provision of the Metrics;

Term or Terms: any of the terms of these Standard Terms and Conditions of the Agreement.

2. AGREEMENT TO PROVIDE THE FMM SERVICE

2.1 In consideration of the mutual obligations undertaken by the Parties, specifically the receipt of the Metrics by FMM and the provision to the Client of Reports by FMM on a monthly basis and the payments made pursuant to Term 6, FMM hereby agrees to provide the FMM Service to the Client which the Client agrees to receive for the Duration.

3. PROVISION OF THE FMM SERVICE

3.1 The Client shall provide to FMM in each month of the Duration the Metrics in the form and to the level of completeness as specified in Appendix 1 or as further directed by FMM.

3.2 The Metrics shall be supplied to FMM no later than the 14th day of each month of the Duration.

3.3 The Metrics shall be complete and accurate in all respects, but without prejudice to the generality of the foregoing, the classification of the Metrics shall be understood by the Client with respect to the Definitions and the Metrics shall be provided in alignment with the Definitions.

3.4 In the event of any difficulty or anticipated failure to align the Metrics with the Definitions in accordance with Term 3.3, it shall be the Client's responsibility to advise FMM as far in advance as

possible in order to:

3.4.1 ensure that the FMM Service is provided with the maximum accuracy;

3.4.2 ensure the Client's own compliance as far as possible with its obligation to supply the Metrics completely and accurately;

3.4.3 facilitate the provision of Reports by FMM.

3.5 In the event of any material changes to the Metrics at any time throughout the Duration, the nature of the changes contemplated by this Term and the means by which they are to be dealt with by the Client are set out within Appendix 4.

3.6 Subject to the provision of the Metrics in accordance with this Term 3 generally, FMM shall supply Reports for each Site with respect to each month for which a full set of Metrics is submitted, but FMM may where necessary send to the Client two or more Reports at the same time provided always that FMM shall ensure that the Client receives 12 Reports in every 12 month period of the Duration of this Agreement.

3.7 The Reports shall make use of Metrics supplied to FMM within one month before their issue but no liability is accepted by FMM for any inaccuracy of any Report in the event that the Metrics supplied are delayed in whole or in part or are insufficient in any other way.

3.8 The content of the Reports shall follow the format as set out in Appendix 3 with respect to all relevant detail.

4. COMPETITOR SETS

4.1 As at the Commencement Date, or as soon as possible thereafter, the Client shall have the option of selecting Competitor Sets and notify such selection to FMM on a per Site basis. Competitor Sets will report on core metrics only.

4.2 The selection of any Competitor Set shall be:

4.2.1 made in accordance with the parameters set out in Appendix 5;

4.2.2 fixed for a period of 12 months within the Duration (subject to Term 4.3).

4.3 At the end of the 12 month period specified in Term 4.2.2 the Client may alter the selections made within the Competitor Set and make a new selection for the succeeding 12 month period but the Client may not change its selection of any Competitor Set within any such 12 month period except by agreement with FMM and upon payment of the Change Fee.

5. INTELLECTUAL PROPERTY

5.1 To effect the provision of the FMM Service, the Client grants to FMM a non-exclusive, United Kingdom-wide, royalty free licence under its present and future Intellectual Property inclusive but not limited to copyright and Database Right for the Duration to use all Metrics solely to the extent and for the purposes only of combining the Metrics

with data and information held or accessible to FMM for the purposes of compiling the Reports.

5.2 The Client acknowledges that the Reports and their contents are copyright works, the copyright in which vests exclusively in FMM, and that they contain certain data or extrapolations from certain databases, the Database Rights in which vest in FMM and/or its licensors.

5.3 FMM grants to the Client a non-exclusive, United Kingdom-wide, royalty free licence under its Intellectual Property inclusive but not limited to Database Rights and the copyright referred to in Term 5.1 to use the Reports for the Client's own purposes, without any right to sub-license any rights granted, by making, issuing or disseminating copies (whether electronically or in hard copy format) to any third party in any part of the world of all or any material part of any Report.

5.4 All Intellectual Property whether registered or unregistered trade marks or copyright in the FMM Logo shall remain the property of FMM and no licence is granted or may be inferred to the Client to make any use of the FMM Logo in any manner whatsoever.

6. PAYMENTS

6.1 In consideration of the provision of the FMM Service, the Client shall pay to FMM in advance and exclusive of VAT a fee of £145 for 12 months per site which shall be fixed for the first 24 months of the Duration.

6.2 VAT shall be added to the fees payable under Term 6.1.

6.3 FMM reserves the right to increase the fee stipulated in Term 6.1 every 24 month period following the first 24 month period of the Duration upon giving at least 12 months notice of any such increase before the end of each successive period of 24 months.

6.4 Invoices with respect to the fees shall, where possible, be issued to the Client by FMM at least 2 months before the commencement of each 12 month period of the Duration, excepting the initial 12 months running from the Commencement Date.

7. DISCLAIMERS AND LIMITATIONS

7.1 The Client acknowledges that the Reports are supplied "as is" and that their accuracy and usefulness depends entirely upon the accuracy and completeness of the Metrics supplied to FMM.

7.2 No representation is made or warranty given by FMM as to the:

7.2.1 accuracy or completeness of any data which FMM makes use of in conjunction with the Metrics in the compilation of the reports;

7.2.2 the usefulness generally of the Reports or the information contained within them;

7.2.3 the suitability of the Reports for the Client's purposes (whether or not such purposes are disclosed or undisclosed).

7.3 FMM shall not be liable to the Client for any consequential or indirect loss, damage, costs or expenses, or any loss of profits, loss of business, loss of goodwill, loss of anticipated savings or loss of data whether the claim arises in contract, tort (including negligence or breach of duty) or otherwise.

7.4 Except as otherwise provided in these Terms, any claim by the Client (or series of related claims) shall be limited to the value of the fees paid for 12 months excluding VAT whether the claim arises in contract, tort (including negligence or breach of statutory duty) or otherwise.

8. WARRANTIES AND INDEMNITIES

8.1 The Client represents and warrants that:

8.1.1 it has full legal authority to enter into the Agreement;

8.1.2 none of the Metrics contains any Personal Data.

8.2 Each Party shall indemnify the other Party against:

8.2.1 the consequences of any breach of the warranty contained in Term 8.1;

8.2.2 any allegation that the Metrics supplied by the Client or the Reports supplied by FMM infringe any Intellectual Property of any third party.

9. CONTACTS

9.1 Upon the Commencement Date (or as soon as possible thereafter but within 14 days in any case), the Client shall notify FMM of the identity of any person it appoints as the contact with respect to the supply of Metrics, the delivery of the FMM Service and as the referral point for any troubleshooting issues whatsoever (**Contact**).

9.2 Full contact information shall be provided to FMM with respect to the Contact.

9.3 In the event that the Contact leaves the employment of the Client or is otherwise no longer retained by the Client at any time during the Duration, the Client shall appoint and immediately notify FMM of the identity and contact details of a replacement for the Contact.

10. SECURITY MEASURES WITH RESPECT TO THE METRICS AND THE REPORTS

10.1 Save that it is acknowledged and understood by the Parties that the Metrics shall contain no Personal Data, in the event that any Personal Data is inadvertently included but also for reasons of implementing good data security practice, FMM shall adopt all appropriate and reasonable technical and organisational security measures with respect to the Metrics as received by FMM.

10.2 The technical and organisational security measures referred to in Term 10.1 shall extend to security checks, the issue of passwords and screening processes and the Client shall co-operate with all such measures and ensure that all passwords and security access processes, the Reports themselves and any FMM data within them are:

10.2.1 kept confidential and treated by the Client as Confidential Information;

10.2.2 are only made available to personnel of the Client having a legitimate "need to know".

10.3 Notwithstanding the provisions of Term 10.2 and the CONFIDENTIALITY Term 11 below, the Client may make use of the Reports and disclose all or substantial parts of the Reports to the Client's bankers, investors, accountants, other relevant professional advisors or the like on a "need to know" basis for the Client's own financial or strategic

purposes on condition that the Client gives reasonable prior notice to FMM of such disclosure and seeks the consent of FMM to the disclosure, such consent (which FMM may grant subject to further terms) not to be unreasonably refused or granted on unreasonable terms.

11. CONFIDENTIALITY

11.1 Each Party shall procure that all Confidential Information disclosed to it by each other Party under the Agreement or which may at any time during the Duration come into that Party's knowledge, possession or control shall be kept secret and confidential and shall not be used for any purposes other than those required or permitted by the Agreement and shall not be disclosed to any third party except insofar as this may be required for the proper operation of the Agreement and then only under appropriate confidentiality provisions approved by the disclosing Party.

11.2 Each Party agrees to comply with the obligations under Term 11.1 for the Duration and for 3 years from the date of termination of the Agreement for whatever reason, or for as long as the Confidential Information remains confidential, whichever the longer.

11.3 The obligations of the Parties with respect to Term 11.1 shall not apply to Confidential Information that:

11.3.1 the Party in question already possessed before it was disclosed to it by any other Party;

11.3.2 is or becomes publicly known other than as a result of breach of the terms of the Agreement by any Party or by anyone to whom the Confidential Information is disclosed to;

11.3.3 is obtained from a third party and the third party was not under any obligation of confidentiality with respect to the Confidential Information;

11.3.4 is developed by any employee of any Party which has not had any direct or indirect access to or use or knowledge of the Confidential Information.

11.4 Notwithstanding the foregoing, the Client acknowledges that whereas the association or the identification of the Metrics (or any part of the Metrics) with the Client shall be treated as Confidential Information by FMM, FMM may share top-line and anonymous Metrics, amalgamated with the Metrics of other Clients, and extrapolations made from the foregoing to media, government, governmental agencies, banks, investors and trade associations for the general benefit of relevant sectors of the leisure industry, whether the same would, but for this Term 11.4, constitute Confidential Information or not.

11.5 To the extent that any Party is obliged to disclose Confidential Information by order of any court of competent jurisdiction or other public body, it may do so SAVE THAT, before making such a disclosure, the Party in question shall, if the circumstances permit:

11.5.1 inform the other Party or Parties affected by the disclosure of the proposed disclosure as soon as possible (and if possible before the court or other public body orders the disclosure of the Confidential Information);

11.5.2 request the court or other public body to treat the Confidential Information as confidential;

11.5.3 permit the Party or Parties affected to

make representations to the court or other public body if possible in respect of the disclosure of the Confidential Information.

12. CREDITS

The Client grants to FMM the right to refer to the Client in advertising and promotional material subject to the Client's approval of the use of its name, such approval not to be unreasonably withheld.

13. DURATION AND TERMINATION

13.1 The Agreement shall commence on the Commencement Date and shall continue in full force and effect for the Duration unless and until terminated in accordance with this Term 13.

13.2 Either Party may terminate the participation of the other Party in the Agreement immediately on giving written notice to that Party in the event of:

13.2.1 non-performance or material breach of any provision of the Agreement which the Party in breach has failed to remedy as soon as practicable (where it is capable of remedy) and, in any case, within 30 days of receipt of notice of the breach;

13.2.2 a material breach of any provision of the Agreement which is not capable of being cured, including any breach of the confidentiality provisions set out in Term 8.2.1;

13.2.3 repeated breaches of duties or obligations under the Agreement (regardless of whether these breaches are individually cured or otherwise resolved), the cumulative effect of which shall be deemed to be a material breach of the Agreement;

13.2.4 if an encumbrancer takes possession of, or a receiver is appointed over any of the property or assets of the other Party or if the other Party makes a voluntary arrangement with its creditors or becomes subject to an administration order or goes into liquidation (except for the purposes of the amalgamation or reconstruction not involving insolvency and in such manner that the company resulting therefrom effectively agrees to be bound by or assumes the obligations imposed on the original Party to the Agreement) or anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to the other Party;

13.2.5 the Party in question ceasing or threatening to cease to function or operate.

13.3 If any Metrics are not supplied by the Client in accordance with the Metric Reporting Definitions, or are supplied inaccurately or incompletely or are not supplied on a timeous basis or are otherwise not in accordance with Term 3 (**Defects**), FMM, acting reasonably, shall consider whether or not the Defects are of sufficient materiality such as to entitle FMM to give notice of termination of the Agreement to the Client pursuant to Term 13.4.

13.4 Without prejudice to Term 13.2, in the event that FMM considers that the Defects in the provision of the Metrics amounts to a serious but not a material breach of Agreement, it shall work with the Client for a period of no more than 40

days after giving appropriate notice to the Client to remedy such Defects but in the event that they are not remedied substantially in the reasonable opinion of FMM, the Agreement shall come to an end on the last day of such 40 day period and no refund of any part of the fee paid by the Client for the relevant 12 month period during which the Defects occur shall be refunded by FMM.

13.5 FMM may in any event terminate the Agreement for convenience and without cause by giving to the Client at any time in the Duration notice of not less than 6 months.

13.6 FMM may terminate the Agreement with immediate effect on notice (and without prejudice to any other remedy it may have in respect of late payments) if the Client fails to pay any amount due under Term 6 within 30 days of the due date.

13.7 Without prejudice to Term 13.6, the Client may terminate the Agreement for convenience and without cause by giving to FMM in the Duration notice of termination of not less than 12 months as follows:

13.7.1 during the Initial Period, the Client may give such notice or longer notice to expire on the last day of the Initial Period but not before;

13.7.2 after the Initial Period, the Client may give 12 months notice at any time.

13.8 The Client accepts and acknowledges that the notice provisions set out in Term 13.7 are reasonable on account of the fact that to provide the FMM Service effectively and authoritatively, FMM needs to ensure that it has sufficient material from the Metrics supplied by all Clients over reasonable periods of time.

14. FORCE MAJEURE

14.1 None of the Parties shall have any liability or be deemed to be in breach of the Agreement for any delays or failures in performance of the Agreement which result from circumstances beyond the reasonable control of that Party including, without limitation, labour disputes involving that Party.

14.2 The Party affected by such circumstances shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

14.3 In the event that FMM Service breaks down due to irremediable computer or systems failure or any other force majeure cause or otherwise such that the Reports become materially unreliable or inaccurate without any fault of the party or either of the Parties, the pro rata fees paid by the Client for the remainder of the 12 month period during which the breakdown takes place shall be refunded by FMM to the Client.

15. ASSIGNMENT

15.1 The Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective legal successors but the Client shall not otherwise transfer, assign or sub-contract any of its rights and obligations under the Agreement without the prior written consent of FMM, such consent not to be unreasonably withheld.

15.2 FMM shall be entitled to assign the benefit and/or burden of the Agreement to a successor party or another company in common control with FMM by giving written notice of such assignment to the Client.

16. GENERAL

16.1 Nothing in the Agreement shall create any joint venture, partnership or agency relationship between the Parties and neither Party shall describe itself as the agent of the other nor shall it represent that it has the authority to make any commitments or give any warranty on the other's behalf.

16.2 The Agreement constitutes the entire agreement and understanding of the Parties and supersedes all prior written or oral representations, agreements or understandings between them relating to the subject matter of the Agreement other than any false misrepresentation made by a Party to induce the other Party to enter into the Agreement.

16.3 If any of the Terms or other provisions of the Agreement is agreed by the Parties to be illegal, void or unenforceable under any law that is applicable hereto or if any court or other authority of competent jurisdiction in a final decision so determines, the Agreement shall continue in force save that such provision shall be deemed to be excised from it with effect from the date of such agreement or decision or such earlier date as the Parties may agree.

16.4 The headings in these Terms are for convenience only and are not intended to have any legal effect.

16.5 Any failure by either Party hereto to exercise or enforce any rights conferred upon it by the Agreement shall not be deemed to be a waiver of any such rights or operate so as to bar the exercise or enforcement thereof at any subsequent time or times.

16.6 A person who is not a Party to the Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any Term of the Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

17. NOTICES

17.1 Notices in writing shall be sent to the other Party marked for the attention of the person set out on page 3 (client) or The Leisure Database Company, 33 Bedford St, London, WC2E 9EJ (FMM).

17.2 Correctly addressed notices sent by first class mail shall be deemed to have been delivered 72 hours after posting and correctly directed facsimile transmissions shall be deemed to have been delivered instantaneously on transmission provided that they are confirmed within 24 hours by first class mail confirmation of a copy.

18. GOVERNING LAW

The construction, validity and performance of the Agreement shall be governed in all respects by English law and the Parties hereby submit to the exclusive jurisdiction of the English courts.

Appendix 1: Metrics

Core Metrics

Metrics to be supplied by each and every site (health club or leisure centre) registered with FMM:

- Closing count of all 'live' members
- All leavers in the month
- New membership count in the month
- Total income received in the month
- Total joining/admin fees received in the month
- Total membership subscriptions in the month
- Total pay as you go users/guest fees received in the month

Only core metrics will be reported on as national and selected competitor set data.

Optional Metrics

For those opting to input these figures they must be submitted every month and only those inputting these figures will receive information utilising these metrics:

- Closing count of all live junior members
- Junior member leavers in the month
- New junior members in the month
- New junior membership subscriptions in the month
- Total staff costs in the month (private gyms only)
- Number of visits in the month

Additional Metrics

There may be occasions when the industry needs to collect certain data to argue or prove a particular case. An example of this may arise in respect of the government's recent intention to launch free swimming. The FMM would be perfectly able to adapt to these situations and pool data that may prove vital in supporting and endorsing industry claims in either supporting opportunities or defending counter claims or government actions/initiatives. It is impossible to predict when the FMM may ask the pool for such data although it may prove to be a very important additional service. You will be under no obligation to supply additional metrics and the same rules would apply as per optional metrics in returning amalgamated data.

Appendix 2: Definitions for Metrics and Reporting

Live Member:

Anyone who has paid a fee for a period of membership that extends beyond 1 month.

This membership will usually be paid by Direct Debit although the period may be paid for as a lump sum (if paid as a lump sum the fee should be apportioned monthly and applied to the subscription figures).

The membership rights will include but may extend beyond the use of the 'gym equipment' and services contained within the confines of the gym area. For example, if the membership covers gym and swim or gym and racquets, these should be included.

Member is also defined by usage of the gym being free during the period of membership (i.e. should an option be available of reduced membership subscription accompanied by a per use payment then this income should be classified within pay-as-you-go and the client should not be included within the membership count).

The Fitness Market Monitor will only consider 'live' members in the calculation of member count (i.e. those up to date with their payment commitments).

Should the member be paying by DD and the collection fails (whether this failure is due to a known/agreed or unknown reason) in a given month, they should not be counted within the 'membership' figures and should be categorised as frozen or suspended.

Suspended / Frozen Members:

Any member who has failed a DD and is therefore removed from the live membership figures for a given month or period and who subsequently activates payments will return as a live member. In such circumstances the money should be accounted for in the returning month although they should not be classified as a new member. They will, however, now be registered within the total member count for the month.

Leaver:

A leaver should be considered as someone who has:

- Terminated their membership in accordance with their contract terms
- Reaches the end of the contract period without renewing their membership

- Has failed the direct debit run and is no longer considered either suspended or frozen
- Has been ejected from the club for another reason

In allocating the leaver to a particular month it is the actual cancellation date that should be taken. This may mean that the leaving member is counted as a leaver in the month after they actually cancelled as most clubs operate a 2-3 week 'confirmation' period.

New Member:

Anyone who 'joins' the club and has committed to a 'membership period' of at least one month. The access rights granted within this agreement will include but may extend beyond the gym area.

Junior Member:

Memberships that typically have the label of 'child' or 'junior' should be included within this category. Again typically these memberships are classified as under 16 and generally carry a reduced subscription fee and/or a reduced right of access.

Membership Count:

The Fitness Market Monitor will collect Membership Count for all live members. Where membership systems permit it will also collect a figure for all junior members as a number of all live members. The submission of junior memberships will be treated as an optional metric. Live members should also include numbers specified within corporate deals (i.e. whereby a given company pays an agreed sum for a given number of memberships).

Staff / Complimentary Memberships:

Any staff members or other parties who receive complimentary membership should not be included as a live member unless they pay the full membership fee.

Pay-as-you-go Users:

Anyone who is not a live member but pays a fee to use the gym facility.

Subscription Income:

Revenue collected by direct debit or apportioned if paid annually (or other specified periods greater than one month) in respect of a membership to the gym facility. Figures should be net of tax.

Joining / Admin fees:

Any revenue received 'up front' or in respect of joining as a member that falls outside of the direct debit commitment or annual membership payment (or other specified periods greater than one month). This is typically a one off fee classified as a joining or administration fee. Figures should be net of tax.

Total Income:

Sum of all revenue received in the month from all sources. This includes all membership income (including subscriptions, joining/admin and pay-as-you-go fees) plus income from vending, classes, food and beverage, retail, etc. Figures should be net of tax.

Additional Spend:

All revenue received that is unrelated to membership income (i.e. income from vending, classes, food and beverage, retail, etc.). Figures should be net of tax.

Staff Costs:

All payments made to staff paid via the pay roll system. The costs should be the payment made in the month net of all taxes.

Attendance:

All 'swiped' entries by **live members**, pay-as-you-go and guest fee paying users with access to the gym facility.

Appendix 3: FMM Reports

The FMM will supply a monthly report containing 6 columns of results for each registered site:

1. The site's results
2. The results of a chosen competitor set
3. The results for the all sites in the company
(for multi-site operators only)
4. All private operators in the pool
5. All public operators in the pool
6. The national combined results

It should be noted that the access to these results will be determined by the joining company at the outset. It may be the case that certain personnel will only be able to view site and national statistics (i.e. columns 1 and 6), whereas other personnel may be able to access more or all of the columns.

Standard reports to be generated:

For each of the 6 segments listed above the following results will be itemised:

Memberships

- Closing count for all live members
- % change in total memberships from prior month
- % change, 12 month like-for-like memberships (i.e. Jan to Jan, Feb to Feb etc., where and when available)
- New members joined in the month
- % change in new members from prior month
- % change, 12 month like-for-like memberships
- Total leavers in the month
- % change in leavers from prior month
- % change, 12 month like-for-like leavers (where available)
- Leavers' ratio: calculated by leavers in the month divided by the month's opening membership (closing count of live members minus new members)
- % change in leavers' ratio from previous month
- % change, 12 month like-for-like leavers' ratio

Monthly Revenue Analysis

- Total membership subscriptions paid in the month
- % change in total membership subscriptions from prior month
- % change, 12 month like-for-like membership subscriptions (where available)

- Average monthly subscription paid per 'live member'
- Average joining fee/admin fee per live member joined in the month
- Membership subscription as a % of total revenue in the month
- Pay-as-you-go/guest fees as a % of total revenue in the month
- Joining fees/admin fees as a % of total revenue in the month
- Joining fees/admin fees as a % of total membership income in the month (i.e. membership subs + joining/admin fees + pay-as-you-go/guest fees)
- Additional spend as a % of total revenue in the month.
- Average additional spend per live member in the month

Optional Reports provided for those companies submitting the relevant metrics:

Memberships

- Closing count for all live junior members
- % change in total junior memberships from prior month
- % change, 12 month like-for-like junior memberships (where available)
- New junior members joined in the month
- % change in new junior members from prior month
- Total junior leavers in the month
- % change in junior leavers from prior month
- % change, 12 month like-for-like junior leavers (where available)

Monthly Revenue Analysis

- Total junior membership subscriptions paid in the month
- % change in total junior membership subscriptions from prior month
- % change, 12 month like-for-like in junior membership subscriptions (where available)
- Average monthly subscription paid per 'live junior member'

Attendance

- Total number of visits in the month
- Average number of visits per live member in the month

Staffing

- Staff costs as % of total revenue (private gyms only)
- Staff costs per live member (private gyms only)

Appendix 4: Dealing with Missing Data, Leavers and New Enrollees

The following rules have been devised to maintain and maximise the integrity, consistency and accuracy of the data. It is inevitable that one or two of the following situations will arise throughout the administration of the FMM so the following rules will apply to maintain continuity of service.

Should a company close to trading during the time of the FMM then the data will be omitted and not replaced with any averaged data. This will affect like-for-like figures but as the site has ceased trading it is appropriate that this is the case.

Should a site be sold then the contract between the site and FMM will allow for the programme to be transferred to the new owner. Should the new owner not take up this option then the site will be retained within the statistics and the last 3 collected months of trading will be averaged for each month's data. This will help in maintaining like for like figures. The same rule will apply should a site fail to provide data in a given month.

Sites can join the FMM at anytime throughout the year but they will not be included within the pooled analysis for the existing users of the service. They will, however, receive the entire pooled data. There will be an additional premium for sites joining after the start/ anniversary of the FMM launch and the contract will run concurrently with the main scheme.

At the end of the first 12 months the new sites enrolling to the FMM will then become part of the full FMM and the full pool will form the analysed data for all participants. In addition the initial enrollees to the FMM service will receive an additional column of data for all the reports. This column of data will include the results for the original pool to ensure the most accurate like for like and continuity of results. It may be the case that the new entrants when pooled conform to the norm but this system should offer the original pool greater depth of analysis and a more effective method of tracking year on year results.

New joiners will only be allowed to enter the full pool should there be three or more companies joining at any point in time. This will ensure complete anonymity.

The above rules are important for the effective and most accurate functioning of the pool. However, FMM reserve the right to alter the rules should circumstances dictate that the accuracy of the data could be improved through adopting additional or amended rules. It is not envisaged, however, that such action will prove necessary.

Appendix 5: Competitor Sets

As part of the service, each site will be able to select a competitor set to directly compare their performance by comparison of the core metrics. Optional metrics will only be reported at a national level.

This process will allow Fitness Market Monitor participants to drill down a little further and segment key operating characteristics.

Participants will be able to create a permutation by opting to include characteristics from each of the boxes below:

Public and Private	✓
Public Leisure Operators	
Private Leisure Operators	
<i>Include other sites within the company</i>	
<i>Exclude other sites within the company</i>	

Hotels	✓
Hotel groups <i>(If this box is ticked, no other selections can be made from any other field)</i>	

Membership	✓
<i>EITHER</i> membership numbers (live adult members):	
1 – 1,499	
1,500 – 3,499	
3,500 +	
<i>OR</i> by average monthly membership subscription (using current month results):	
< £35 per month	
£35 – £50 per month	
> £50 per month	
<i>OR</i> by facilities:	
With swimming pool (indoor pool 15m or longer)	
Without swimming pool	

Region or nearest sites	✓
<i>EITHER</i> by region:	
Midlands and Eastern	
London	
North, Scotland and Wales	
South East	
South West and Wales	
<i>OR</i> by Nearest Sites:	
Nearest 25*	
* The results will indicate, to the nearest 10 miles, how far away the furthest site in the set is located.	

The number of permutations above have been selected to maximise the potential return (i.e. if too many options were given the numbers in each competitor set may be too small to protect anonymity). It should be noted that in all reporting a minimum of 4 companies must be included within each competitor set and names of the companies will not be disclosed. Should the desired segmented set not include a minimum of 4 companies then no results will be available.

At the initial setting of the competitor set, the software will flag and freeze the sites involved for constant selection throughout the 12 month period. This will ensure the results, trends and comparisons will remain consistent. Prior to the end of the 12 month period, each site will be able to renew their competitor set and then the system will again lock in the new set for the year.

In each competitor set each site can choose to include or exclude other sites from the same company.

Appendix 6: FMM logo

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