

REGISTERED COMPANY NUMBER: 9204269 (England and Wales)
REGISTERED CHARITY NUMBER: 1163564

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 MARCH 2020

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SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

Last year presented several challenges for South Downs Leisure with continued competition in fitness through budget gyms affecting our bottom line. South Downs Leisure have seen membership numbers reducing by nearly 20% over 2 years to 9,400 in March 2020. In response to these challenges, the South Downs Leisure team streamlined its services and an example of this was to move away from Worthing College Gym in November. The team also reviewed each department and we restructured the organisation to meet the change in demand.

Despite the challenges above we were as strong as ever working within our communities supporting events including the Green Dreams festival and organisations such as Food Pioneers. We held several events for family respite and helping adults and children with learning difficulties and disability fun days.

The Enterprise (SDLE) experienced growth with weddings and corporate bookings showing a significant improvement in 2019/20. This is due to numerous initiatives over a three-year period including investment into a new wedding garden and staff investment. The work and service at Field Place was recognised in January 2020 by winning both the South East of England and National wedding awards for Town and City.

With all the changes made we were in a strong position in early March with both the Enterprise having record bookings in April and the Charity saw record sales on an open day at the end of February.

We have made the following investments during the 2019-20:

- Development of our customer booking system
- Development of our App and website
- New bikes and immersive studio at WLC (£90,000)

COVID-19 then hit the entire leisure industry and country at an incredible speed with a huge impact on the March bottom line as we saw memberships and corporate bookings cancel. We saw our neighbours in Adur go insolvent and we have, once again, had to remodel our services and structure making 60 posts redundant to adapt to this challenge.

Over the next twelve months with the uncertainty of this virus we will be looking at potential opportunities and partnerships to put the organisation in a strong position in the future.

As well as constantly reviewing our systems and costs to ensure that we are as efficient as possible, we also continue to explore opportunities for new business and income streams. Our focus is always to make sure that SDL is business like with a strong and robust financial base, but we are a business with a purpose which is to provide excellent services that contribute to the social, community and health needs of residents in the area we serve. We are proud to do this in partnership with initiatives across the public, private, voluntary and community sectors.

Finally, I would like to thank our trustees for providing ongoing support and guidance for the South Downs Leisure team and I am pleased to welcome Phill Griffin, Paula Newton, Rachel Ramdin, Paula Spencer-Snell, Val Turner and Charles James as new Trustees. We also need to thank and bid farewell to Lionel Harman, Karen Harman and Pete Tyler who have given great support to the Trust.

SOUTH DOWNS LEISURE
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees, who are also Directors of the charitable company for the purposes of the Companies Act 2006, present their report with the financial statement for the year ending 31 March 2020.

REFERENCE & ADMINISTRATIVE DETAILS

Name of charity

South Downs Leisure

Name of subsidiary

South Downs Leisure Enterprises Ltd

Charity and company registration

South Downs Leisure 09204269

South Downs Leisure Enterprises Ltd 09261501

Charity number 1163564

Registered office

Field Place Manor House, The Boulevard, Worthing, West Sussex BN13 1NP

Telephone and website

01903 905050

www.southdownsleisure.co.uk

Auditors

McCabe Ford Williams

Statutory Auditors and Chartered Accountants

Bank Chambers, 1 Central Avenue, Sittingbourne, Kent ME10 4AE

Bank

Lloyds Banking Group

City Office

PO Box 72, Bailey Drive, Gillingham Business Park, Gillingham ME8 0L

Solicitors

Joanna Bussell

Winckworth Sherwood

Minerva House, 5 Montague Close, London SE1 9BB

Trustees

	Appointed	Resigned
J Le Sueur (Chair)	5 February 2015	28 June 2019
Z Smith	5 February 2015	31 August 2019
G Jackson	5 February 2015	
K von Habsburg (Chair)	5 February 2015	
J Lawrence-Hall	5 February 2015	
S Price	3 November 2015	
L Harman	7 July 2016	1 March 2020
C Hunter	28 February 2017	24 July 2019
C Gibbons (Chair)	25 April 2018	30 September 2019
P Tyler	17 December 2018	11 December 2019
A Fleetwood	1 July 2019	
R Ramdin (vice Chair)	16 October 2019	
K Harman	3 December 2019	1 March 2020
P Griffin	24 August 2020	
P Newton	24 August 2020	
P Spencer-Snell	26 October 2020	
V Turner	26 October 2020	
C James	26 October 2020	

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

South Downs Leisure is a charitable company limited by guarantee constituted on 4 September 2014 and governed by articles and memorandum of association.

Charitable status was applied following the incorporation of the Trust and was awarded shortly after the Trust commenced trading on 1 May 2015. The trustees are also directors of the charity for the purposes of the Companies Act.

The charity has a wholly owned trading subsidiary, South Downs Leisure Enterprises Ltd which is used to support the activities of the Trust.

Recruitment and Appointment of Trustees

Unless otherwise determined by the company, the Board shall consist of at least three and not more than eleven individuals comprised as follows:

- Up to 8 Community Trustees
- Up to 2 Local Authority Trustees
- Up to 1 Employee Trustee

Community Trustees will always be a majority on the Board.

New community Trustees are recruited in accordance with the Board's agreement and with our Articles of Association. We will always look to complement and strengthen the skills and experience of the Trustee team on the Board. Community Trustees are appointed for three years with membership being reviewed annually.

Recruitment of the employee Trustee was initially by appointment by the senior management team in accordance with the Articles of Association but from 2016 this was changed to election by employees as agreed by the Board.

The Local Authority confirms its nominations and appointments as and when Local Authority vacancies arise.

Organisational Structure

The current Board consists of six community Trustees providing a range of experience and professional expertise.

Kris von Habsburg is Chair and Rachel Ramdin is vice Chair.

We have two sub groups which meet throughout the year to support the Board:

Finance

Gillian Jackson, Andrew Fleetwood, Rachel Ramdin

HR

Joanne Lawrence Hall, Rachel Ramdin, Trustee vacancy

Enterprise Directors

Joanne Lawrence Hall, Kris von Habsburg, Duncan Anderson

We held the following meetings for the period ended 31 March 2020:

- 8 x Board meetings
- 4 x Finance meetings
- 1 x People and Governance meetings
- 4 x Enterprise meetings

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

South Downs Leisure Trustees

Kris von Habsburg (Chair)
Gillian Jackson (Vice Chair)
Rachel Ramdin (Vice Chair)
Joanne Lawrence Hall
Sharon Price
Andrew Fleetwood
Paula Newton
Phill Griffin

To facilitate the effective operation of the Charity the Board has delegated the responsibility of administering the Charity to a Senior Management Team:

- Chief Executive Officer
- Finance Director
- Sales and Marketing Director
- Operations Director
- Human Resources Manager

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and ensure appropriate controls are in place. A risk report is part of each Board agenda. The following initiatives have been implemented to reduce risk and improve risk management:

- A risk report at each Board meeting.
- A SWOT analysis conducted annually to identify weaknesses and threats.
- A calendar of audits which include Health & Safety, Financial, Quality and Food & Beverage audits.
- Sales and Generic mystery visits and Net Promoter Score surveys to ensure we are delivering the service to expectation.
- Affiliation to the Quest industry accreditation scheme to maintain high standards across all sections of our business: The current position of each site is as below. With closures of the sites in March 2020, the Quest assessment process has been placed on hold; neither assessments nor directional reviews will take place until the Coronavirus pandemic position is clearer. We anticipate this be a hiatus of 12-18 months. The underlying principles of the process remain in place, together with the mandatory Health and Safety compliance.

Site	Current Full assessment	Last	Next	Directional Review	Last	Next
WLC	Excellent	Feb 2019	Feb 2021	Excellent	Feb 2018	TBC
Splashpoint	Excellent	April 2019	April 2021	Excellent	April 2018	TBC
Davison LC	Very Good	Nov 2017	TBC	Very Good	Aug 2018	TBC
Field Place	Very Good	Apr 2019	April 2021	Very Good	April 2018	TBC

Health and Safety

South Downs Leisure is committed to embedding a culture of proactive health and safety management throughout the organisation. The Operations Director oversees regular cross-site meetings with the Facility Managers, and we aim for each site to have an appointed NEBOSH (The National Examination Board in Occupational Safety and Health) representative in this area supported by IOSH (Institution of Occupational Safety and Health) trained duty staff. Later in 2020 we will be appointing a bespoke Health and Safety Manager to support the Operations Managers at each site. All staff receive mandatory H and S training as part of their induction process. In 2019/20 a target of 93% for the external Health and Safety audit was set. The 4 sites audited in October 2019 achieved scores of:

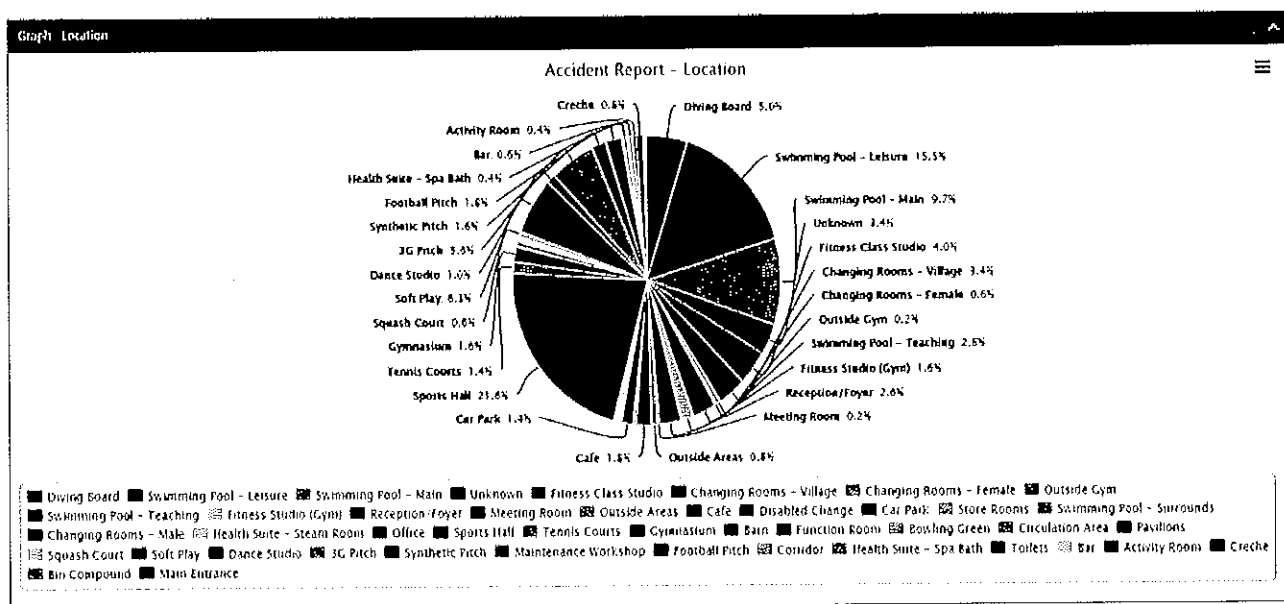
WLC: 90% SPLC: 91% DLC: 92% FPMH: 94%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

Over the 12-month trading period (2019/20) 504 accidents were reported across the 4 facilities. This figure is below the industry standard benchmark indicator which is 5 per 10,000 at 4.2 with the total number of visits being 1.2m (pro rata to reflect the March closures). We recognise that accidents are inevitable, but with regular monitoring and an active risk reduction policy, we aim to minimise the risk to both staff and the customers who visit our facilities. It should be noted that attendance and accident figures have been impacted by the closure of the Worthing College gym (Dec 2019) and also closure of all the sites on 21st March 2020.

Accident reporting by activity is detailed as below:



South Downs Leisure retains the services of Right Directions and the Data Hub digital platform. Right directions are a recognised industry leader in the Health and Safety field and have provided excellent support during the Pandemic. The site managers and sections heads are provided with up-to-date information and notifications of changes in legislation, together with a calendar of audits, advice and support in respect of litigation claims.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND ACTIVITIES

Objectives and Activities

The objectives of the charitable company are:

- To provide or assist in the provision of both outdoor facilities in the interest of social welfare for recreation or other leisure time occupation of individuals who have need of such reason by their youth, age, infirmity or disability, financial hardship or social circumstances or to the public at large with the object of improving their conditions of life, and/or
- To promote community participation in healthy recreational activities, and/or
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the condition of life for all those who use the facilities, and/or
- To promote the education of the public through the provision of facilities for the provision of performing arts, and/or such other charitable purposes as the Trustees in their absolute discretion may determine.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. We have referred to this guidance when reviewing our business plan and planning new activities for the future.

Our Vision and Mission

The Trust established a Vision, Mission Statement and Values outlined below, with our Vision reflecting the UK Active National agenda.

OUR VISION

More People, More Active, More Often.

MISSION

To deliver an inclusive range of health and wellbeing initiatives whilst providing a clean, safe and happy leisure experience.

OUR VALUES

Integrity

We will be open, honest and friendly when communicating with customers and partners, treating everyone with respect.

Equality, diversity and inclusion

We aim to ensure that the opportunities the Trust provides are accessible, are available on a non-discriminatory basis and provide maximum health and wellbeing benefits for all.

Continuous Improvement

We will strive to make the experience of users and visitors better by continually reviewing our activities and procedures.

Partnership working

We will develop and sustain strong and effective partnerships with local and national organisations in pursuit of our vision: More People, More Active, More Often.

Innovation

We will explore the introduction of new products and services, driven by technology, industry research and best practice.

Staffing

We will ensure that all our staff are professionally qualified and/or appropriately trained to deliver the service required and respond effectively and quickly to customer enquiries.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND ACTIVITIES – continued

Environmental awareness

We will endeavour to be an environmentally conscious organisation and will continually review our services to ensure best practice.

A Strong Board

Selection and recruitment of the Board was planned with a clear vision to provide a good range of interested, articulate and passionate volunteers with a strong mix of experience, age and gender. The Board has developed a deep understanding of the aims of the Trust and provide strong, but challenging, support and guidance.

Senior Management Team

The Senior Management team of four is led by the Chief Executive and includes Three Directors: a Financial Director, Operations Director and Business Development Director. The Directors manage a team of staff that sit on SMT to include four Facility Managers, Group Fitness Manager, Group Sales Manager, Group Marketing Manager, Health and Wellbeing Manager and a HR Manager.

Each of these managers sit on various sub groups that deliver the business and feed back into the business plan. These sub groups are:

- Finance
- Staff Development
- Events
- Weddings
- Health and Wellbeing
- Maintenance
- Environment and Sustainability
- FIT4
- IT
- Food and Beverage
- Health and Safety
- Customer Service

Remuneration policy for key management personnel

A remuneration committee is being organised for future review of remuneration for key management personnel. Historically all changes in grade have been passed by the HR/people and Governance subgroup. Cost of living increases are passed by the Board.

Training

We are committed to understanding the sector we operate in and the local and national agenda. To achieve this, we must ensure staff have every opportunity to attend conferences and seminars and attend Continuous Professional Development courses.

We have committed to funding CIMSPA membership, which is our Chartered Institute. The Board agreed to increase the training budget in line with cost of living.

We are committed to maintaining this budget for the future and looking to continue with the mentoring scheme and management training with a current cohort of 12 employees attending the management course which concluded in December 2019. Courses were also arranged with MIND for stress and mental health wellbeing with a number of employees being Mental Health First Aiders as well as internal manual handling and first aid at work.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND ACTIVITIES – continued

Workforce Make Up

The total workforce at the time of TUPE was 367 employees. There was a total of 419 employees at this time in September 2020. The total workforce number does fluctuate monthly by approx. 25 employees due to two factors; seasonal variations around busy/school holiday periods and taking off the casual employees who have not worked within the organisation for the last three months which is an Inland Revenue requirement. The COVID-19 pandemic caused the business to close between 21 March and 25 July 2020. It was clear during this time that when the business re-opened there would be restrictions with social distancing and additional cleaning which would reduce the number of classes and activities we were able to offer. As a result of this all staff were placed at risk in May 2020. As a result of this, 60 redundancies were made, and variations made to many contracts to reduce hours and ensure the viability of the company once we were able to reopen.

Gender Pay Gap Reporting

On 6 April 2017, new regulations came into force requiring organisations with 250 or more employees to publish annual reports containing detailed information regarding the Gender Pay Gap (including bonus pay) between men and women across their workforce.

Gender Pay Gap 2019		Male			Female			
	Number	Mean	Median	%	Number	Mean	Median	%
Whole Organisation	254	£10.31	£8.21	38%	422	£11.49	£8.43	62%
Upper Quartile	52	£18.43	£17.04	31%	117	£19.07	£19.96	69%
Upper Middle Quartile	61	£10.55	£9.82	36%	108	£10.50	£9.63	64%
Lower Middle Quartile	55	£8.10	£8.21	33%	114	£8.17	£8.21	67%
Lower Quartile	86	£6.63	£7.64	51%	83	£6.64	£7.64	49%

In summary we are proud to report that there continues to be a fair balance of pay rates between male and female employees across the organisation.

STAFF PROFILES

As of July 2019

Total staff numbers	446
Ethnic minorities*	7%
Disabled	2%
Total posts	730

* Ethnic Minorities is inclusive of anyone who has disclosed themselves as not being white British.

We continue to use fair recruitment practices and ensure open and transparent processes to encourage all interested parties to apply for roles.

We are proud that we have obtained again the Disability Confident accreditation.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND ACTIVITIES – continued

Continuous Improvement

A key to the success of South Downs Leisure is in the desire to improve, reinvest and be at the forefront of new initiatives. We actively support CIMSPA membership (the Chartered Institute for the Management of Sport and Physical Activity) with several of the senior team holding Fellow and Associate memberships. We also support the external assessment process "Quest" which is the sport and leisure industry quality accreditation to ensure that operators enhance, improve and continue to develop the quality of service offered.

In addition to QUEST and our phone monitoring, South Downs Leisure undertake a number of internal and external audits to benchmark against the sector, past performance and also to set targets for a number of areas of the business.

Please see table below detailing the current performance monitors:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Audits						
F&B Worthing LC	N/A					Next due 2021
F&B Splashpoint	N/A					Next due 2021
F&B Field Place	N/A					Next due 2021
Management Audit WLC	N/A		78%			On hold
Management Audit SP	N/A		75%			On hold
Management Audit FP	N/A				68%	On hold
Management Audit DLC	N/A		75%	77%	74%	On hold
Quality Audits Worthing LC						83%
Quality Audits Splashpoint						89%
Quality Audits Field Place		73%			88%	
Quality Audits Davison LC	85%				87%	
H&S Audit Worthing LC					91%	
H&S Audit Splashpoint					87%	
H&S Audit Field Place	86%					
H&S Audit Davison LC	85%		88%	86%	87%	
NPS Worthing LC						
NPS Splashpoint						
NPS Group						

	On target
	<15%
	>15%

SOUTH DOWNS LEISURE
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND ACTIVITIES – continued

CUSTOMER SATISFACTION

South Downs Leisure recognises that the customer is at the heart of the business and continually monitors satisfaction ratings using the "Net Promoter Score" system. NPS is a management tool that can be used to gauge the loyalty of an organisation's customer relationships. It serves as an alternative to traditional customer satisfaction research and has been adopted by more than two thirds of Fortune 1,000 companies as well as many of the leisure industry providers.

NPS is calculated based on responses to a single question:

How likely is it that you would recommend our company/product/service to a friend or colleague?

The scoring for this answer is based on a 0 to 10 scale divided into detractors (0-6) passives (7-8) and promoters (9-10). The percentage score is determined by subtracting the detractor score from the promoter score to give one benchmark figure.

Surveys are sent out each month direct to members who use all SDL facilities. Members are contacted by senior staff to engage, gain feedback and attempt to address any issues that may arise. Member survey contact is restricted to a maximum of 2 instances each year.

Figures are presented monthly at Senior Management Team meetings and interrogated to highlight any trends or areas of concern, both from the positive and negative comments. SDL has maintained a steady improvement since the Trust was formed and with the comparable industry average (for all Leisure Trusts in the South East) currently being at 37%, the figures give a positive reinforcement for the overall quality of service delivery.

Monthly scores and the annual average as a whole for SDL are as below. It should again be noted that this service was placed on hold during March 2020 and will not restart until approximately mid-2021. (slightly reduced data for March 2020 due to the COVID closure).

	2014 Ave. score	2015 Ave. score	2016 Ave. Score	17/18 Ave. Score	18/19 Ave. Score	19/20 Target Score	April	May	June	July	August	Sept	October	November	December	January	February	March	2019/20 Ave. score
NPS SDL Group average						35%													

ACHIEVEMENTS AND PERFORMANCE

South Downs Leisure has now completed its twenty-five-year management agreement with Worthing Borough Council. The process of negotiating our second five-year tranche has been delayed by the COVID-19 pandemic but we continue to work closely with Worthing Borough Council and will re-visit the negotiations when the pandemic, with all the additional pressures for both the Council and South Downs Leisure, is under control.

Competition from budget gyms and other leisure providers continues to apply pressure to our membership. This continued to affect our figures into 2019/2020. The pandemic has given us the opportunity to review our offering and ways of working. During the lockdown South Downs Leisure provided online streamed classes free so the community could access these whether they were usually members of FIT4 or not. We have continued to invest in this side of the business and have installed screens and technology to enable the live streaming of classes which will be available to FIT4 members.

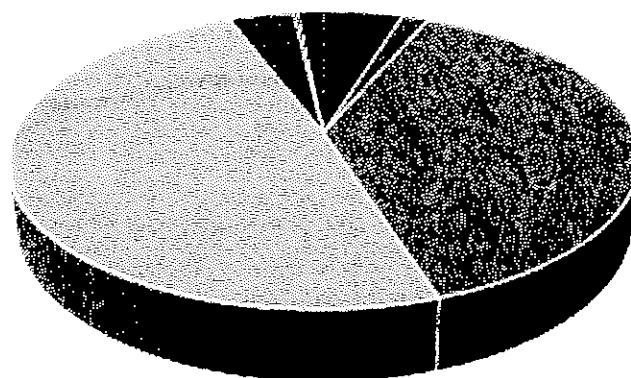
Use of the App has increase as all customers have to now book visits to the centres online. This reduces necessary contact as customers arrive, less need for cash collections/deliveries and provides customer details for "Track and Trace" alongside lighter access controls.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW

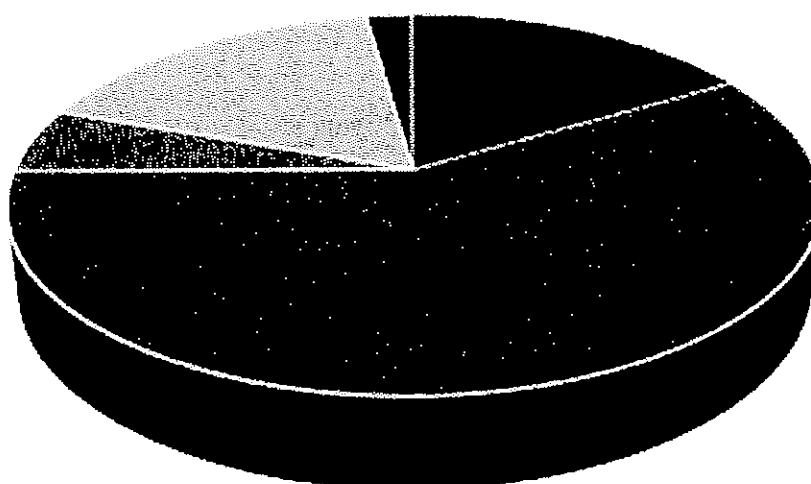
The following charts show which sites produced our income and how that money was spent.

Where our income came from in 2019-2020



- Davison
- Worthing College
- Worthing Leisure Centre
- Splashpoint
- Field Place
- External Funding
- Head Office

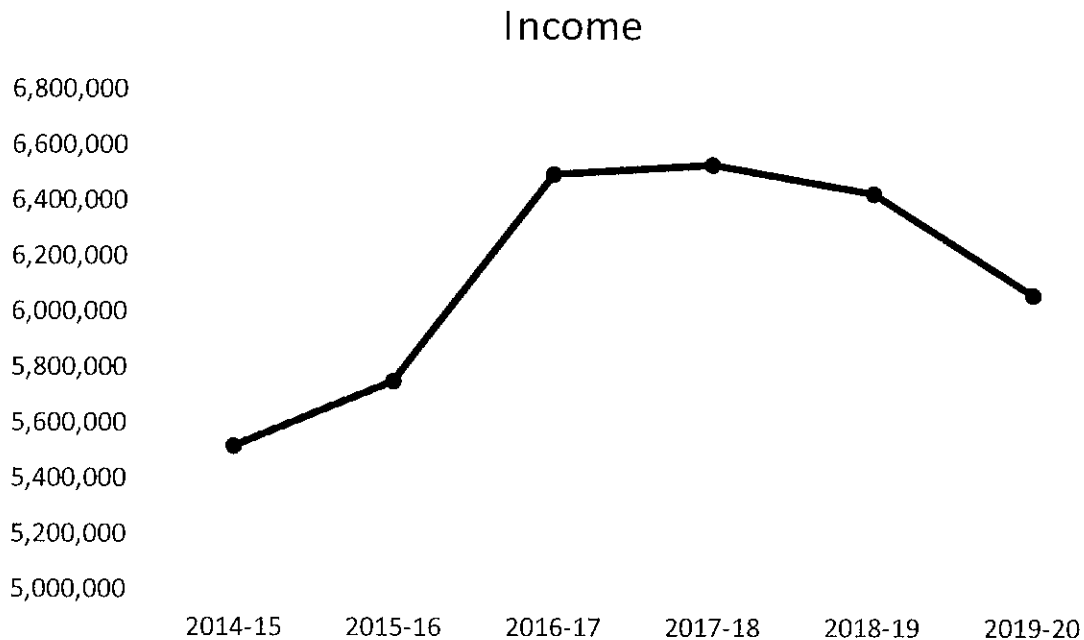
What the money was spent on in 2019-2020



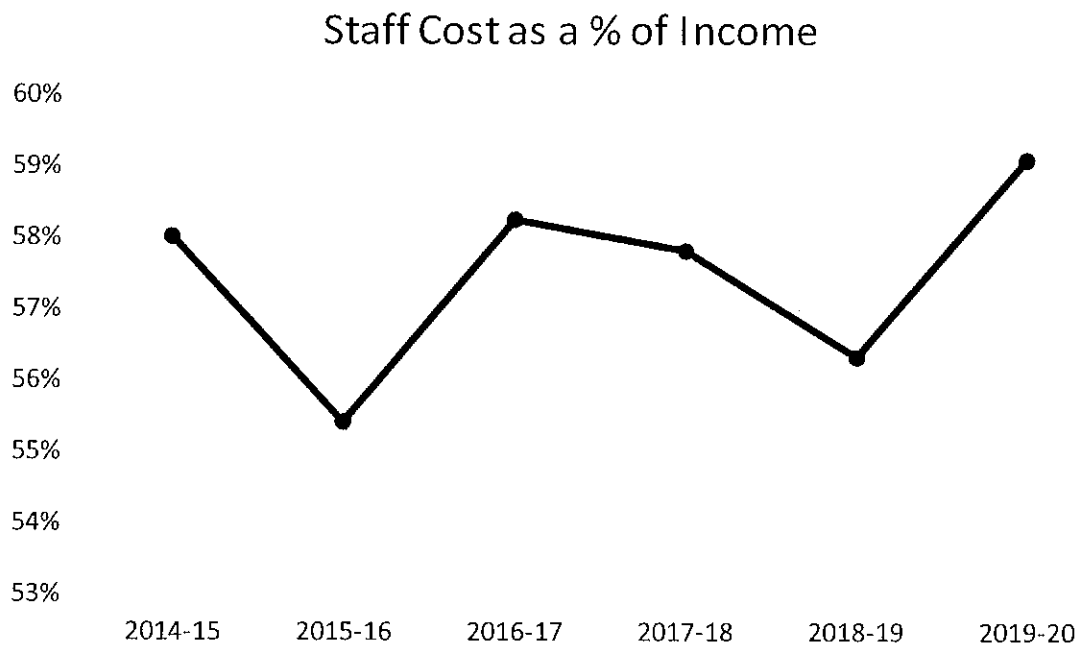
- Cost of Sales
- Employees
- Supplies & Services
- Premises
- Other Costs

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW – continued



The above chart shows the income year on year. 2013-2015 we were a council Direct Service Organisation.



The above chart shows staff costs as a % of income. 2018-19 and 2019-20 figures include Head Office costs.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW – continued

KPIs

Reserves

Surpluses on trading and charitable activities will be transferred to a risk reserve and an improvement reserve. After the accumulation of 50% of £560k into the risk reserve, then the Trust shall transfer up to £100,000 of any surplus generated into a designated account, the Improvement Reserve.

The group has returned a deficit of £91,790 (2019: £416,480 surplus). The accumulated reserves for the group amounted to £924,072 (2019: £1,015,862), including restricted funds of £33,311 (2019: £47,141) and unrestricted funds of £890,761 (2019: £968,721).

In the event that the Trust meets the agreed Risk Reserve target of £560,000 and after £100,000 has been transferred into the Improvement Reserve and the Risk Reserve target has been maintained for a continuous period of 3 months, then 50% of any additional surplus generated by the Trust in any Service Year shall be shared with Worthing Borough Council.

The Trust had total reserves at the balance sheet date of £807,067 (2019: £908,155). £450,365 (2019: £559,999) has been designated as the risk reserve in accordance with the reserves policy and £323,391 (2019: £301,015) has been designated as the improvement reserve. Restricted funds at the year end were £33,311 (2019: £47,141).

The improvement reserve balance of £323,391 (2019: £301,015) is made up of the net book value of fixed asset purchases since incorporation of £256,441 (2019: £165,107) and unspent reserves of £66,950 (2019: £135,908).

The COVID-19 crisis has seen the reserves depleted between March and October resulting in the need for a government backed CBILS bank loan for £750,000. No repayments are due for the first twelve months, giving the organisation time for recovery before the first repayment is due.

Worthing Borough Council have continued to support South Downs Leisure by cancellation of various fees whilst we await the results of an insurance claim.

Going concern

As explained the COVID-19 pandemic has had, and will continue to have, a material impact on the trading position of the Charitable Company. As we move forward a number of uncertainties over the extent of the impact still exist, and these are detailed below:

- **Customers behaviour**
Will the measures that we and the industry have put in place to mitigate risk give customers the confidence to resume using the facilities. The pandemic has had a far reaching economic impact on all business sectors and this in turn may have had an impact on the general public's disposable income. Customers may have sought alternative options with regard fitness during the lockdown and may have changed the way in which they engage with public leisure facilities.
- **Continued presence of COVID-19**
The world is learning to live with COVID-19 but there is a concern that an increase in cases over the winter months may lead to second nationwide lockdown. In addition, government policy has introduced localised lockdowns in areas where cases are considered to be high. Government policy to control the spread will continue to have an impact on customers' ability to access and our ability to deliver our services.
- **Financial Support**
We have secured support from Worthing Borough Council and in the form of a Coronavirus Business Interruption Loan (CBIL).

Although the COVID-19 pandemic has affected South Downs Leisure, as it has the rest of the leisure industry, we believe that the steps we have taken to reduce costs and to increase sales by connecting with the community through technology, even if they are not comfortable in using our centres, will give the Trust a stable base moving forwards. Support from Worthing Borough Council contributes greatly to the ability of South Downs Leisure to continue to provide a service to the local community. There is also an insurance claim awaiting acceptance by insurers. Business interruption claims due to COVID-19 are being delayed as the insurers have taken a legal route to avoid accepting liability. As this is likely to take some time to be resolved we have not included this in our calculations for the immediate future. During the pandemic we have made use of the Coronavirus Job Retention Scheme and will be utilising other furlough schemes as necessary. There is a Job Retention Scheme Bonus available in February 2021 which we intend to claim. We have also secured a CBILS loan of £750,000 to provide support while the pandemic takes its course.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

Going concern - continued

The Board of Trustees has taken into account the uncertainty caused by COVID-19 and are satisfied that, assuming the Group with the confirmed support, customers behaviour is in line with industry expectations, and there isn't a second spike in COVID-19 which results in another enforced lockdown, then it will be able to meet all its obligations as and when they fall due. Accordingly, whilst drawing the reader's attention to the underlying uncertainties that the COVID-19 pandemic has caused, they consider it appropriate to continue to prepare the financial statements on a going concern basis.

Plans for the future

We have established a structure that will allow us to develop the Trust and potentially grow in future years. We have looked at various facilities within the borough of Worthing and will not exclude opportunities outside this area if geographically positioned to allow us to manage the facilities efficiently and effectively.

Plans are being drawn up to steer the future direction of both the Enterprise and the Trust in regard to both market security and development. These plans will look at optimum leisure provision in keeping the local demographics a priority.

All works consider the potential of 'Leisure Futures' and the anticipated development of Worthing Leisure Centre. Plans for the potential new site have been submitted to Worthing Borough Council and we are awaiting further news.

ACCOUNTABLE AND TRANSPARENT

The work of the Trust sits largely in the public domain and through its values, club and customer focus groups, surveys & feedback mechanisms it strives to engage with all interested parties. The business plan and objectives are published and subject to public scrutiny.

As part of the service agreement with Worthing Borough Council, the Trust provides regular reports to the Council on its performance through monitoring Key Performance Indicators (KPIs).

FUNDRAISING

As a charity our income is derived from charitable trading and as such, we do not undertake any specific campaigns which require donations.

DISABLED PERSONS

The parent Charitable Company and its subsidiary undertakings' policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

ENGAGEMENT WITH EMPLOYEES

Communication with employees has been paramount during the COVID-19 pandemic. Weekly Zoom calls with the CEO for all staff have been instigated, and have continued since reopening, as we recognise how important it is for staff to see the CEO and have the opportunity to ask questions directly. There are weekly staff newsletters and social media posts.

It was recognised at the start of the pandemic that reopening would be under various restrictions and the service would need to be reduced accordingly. A number of redundancies were made and variations to contracts to reduce hours. These measures, alongside all staff only receiving 80% of their salaries between May and October, have contributed greatly towards the survival of the Trust.

The effect of the pandemic, redundancies, variations in contract, shielding and social distancing have all affected the staff in different ways. To acknowledge the effects suffered by staff and to provide support we are appointing a number of Workplace Champions. These are volunteers who will be given training to support staff, provide a means of signposting staff to additional support and coordinating with management as necessary.

South Downs Leisure are part of Time to Change campaign and held an open coffee morning for staff to pop in for support and to meet our new EAP providers.

Worthing Counselling Service was employed as the EAP provider during 2019/20. This is a local charitable service which has already proved more popular than the previous, more generic, service. We are helping our staff and another local charity which fits perfectly with our ethos.

Our board of Trustees also includes a Staff Trustee to represent the staff.

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of South Downs Leisure for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE BOARD:



K Von Habsburg -- Chair

Date: 26 October 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTH DOWNS LEISURE

Opinion

We have audited the financial statements of South Downs Leisure (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements which indicates that the effects of the COVID-19 pandemic has had a detrimental impact on the trading results of the Group and Charitable Company. As stated in note 3 these events or conditions, along with other matters as set forth in note 3 indicate that a material uncertainty exists which may cast significant doubt on the Group's and Charitable Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the group annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTH DOWNS LEISURE

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company and its subsidiary, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

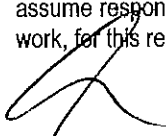
Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 26 October 2020

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds £	Restricted Funds £	31.3.20 Total Funds £	31.3.19 Total Funds £
INCOME					
<i>Income from charitable activities:</i>					
Operation of leisure, recreation sites and health activities	4	5,981,286	21,375	6,002,661	6,420,102
		<u>5,981,286</u>	<u>21,375</u>	<u>6,002,661</u>	<u>6,420,102</u>
<i>Income from other trading activities:</i>					
Commercial trading operations	5	<u>565,064</u>	<u>-</u>	<u>565,064</u>	<u>515,805</u>
TOTAL INCOME		<u>6,546,350</u>	<u>21,375</u>	<u>6,567,725</u>	<u>6,935,907</u>
EXPENDITURE					
<i>Costs of raising funds:</i>					
Commercial trading operations	5	548,685	-	548,685	431,992
<i>Expenditure on charitable activities:</i>					
Operation of leisure, recreation sites and health activities	7	6,075,625	35,205	6,110,830	6,087,435
		<u>6,624,310</u>	<u>35,205</u>	<u>6,659,515</u>	<u>6,519,427</u>
TOTAL EXPENDITURE		<u>6,624,310</u>	<u>35,205</u>	<u>6,659,515</u>	<u>6,519,427</u>
NET (EXPENDITURE) / INCOME BEFORE TAXATION AND TRANSFERS		(77,960)	(13,830)	(91,790)	416,480
GROSS TRANSFERS BETWEEN FUNDS		-	-	-	-
NET MOVEMENT IN FUNDS		<u>(77,960)</u>	<u>(13,830)</u>	<u>(91,790)</u>	<u>416,480</u>
RECONCILIATION OF FUNDS:	21				
FUNDS BROUGHT FORWARD		<u>968,721</u>	<u>47,141</u>	<u>1,015,862</u>	<u>599,382</u>
FUNDS CARRIED FORWARD		<u>890,761</u>	<u>33,311</u>	<u>924,072</u>	<u>1,015,862</u>

All incoming resources and resources expended arise from continuing activities. The group has no other recognised gains and losses other than those stated above.

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2020

		31.3.20	31.3.20	31.3.19	31.3.19
		Total	Total	Total	Total
		Funds	Funds	Funds	Funds
		£	£	£	£
	Notes				
FIXED ASSETS					
Intangible assets	13		77,756		33,127
Tangible assets	14		337,421		357,679
Investments	15		-		-
			<u>415,177</u>		<u>390,806</u>
CURRENT ASSETS					
Stocks	16	8,409		46,624	
Debtors	17	301,795		355,644	
Cash at bank and in hand		869,651		922,659	
		<u>1,179,855</u>		<u>1,324,927</u>	
CREDITORS					
Amounts falling due within one year	18	<u>(639,151)</u>		<u>(665,931)</u>	
NET CURRENT ASSETS			<u>540,704</u>		<u>658,996</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			955,881		1,049,802
PROVISIONS FOR LIABILITIES	12		(31,809)		(33,940)
NET ASSETS			<u>924,072</u>		<u>1,015,862</u>
FUNDS					
Unrestricted income funds			117,005		107,707
Unrestricted designated funds			773,756		861,014
Restricted funds			33,311		47,141
TOTAL FUNDS	21		<u>924,072</u>		<u>1,015,862</u>

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26 October 2020 and were signed on its behalf by:


 K Von Habsburg – Chair

Company Registered number: 09204269
 Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

COMPANY BALANCE SHEET
AT 31 MARCH 2020

		31.3.20 Total Funds £	31.3.20 Total Funds £	31.3.19 Total Funds £	31.3.19 Total Funds £
	Notes				
FIXED ASSETS					
Intangible assets	13		77,756		33,127
Tangible assets	14		170,006		179,049
Investments	15		1		1
			<u>247,763</u>		<u>212,177</u>
CURRENT ASSETS					
Stocks	16	8,409		46,624	
Debtors:	17	514,257		491,237	
Cash at bank and in hand		<u>538,823</u>		<u>690,273</u>	
		<u>1,061,489</u>		<u>1,228,134</u>	
CREDITORS					
Amounts falling due within one year	18	<u>(502,185)</u>		<u>(532,156)</u>	
NET CURRENT ASSETS			<u>559,304</u>		<u>695,978</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>807,067</u>		<u>908,155</u>
NET ASSETS			<u>807,067</u>		<u>908,155</u>
FUNDS					
Unrestricted designated funds			773,756		861,014
Restricted funds			<u>33,311</u>		<u>47,141</u>
TOTAL FUNDS	21		<u>807,067</u>		<u>908,155</u>

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26 October 2020 and were signed on its behalf by:



K Von Habsburg – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

		Group 31.3.20 £	Group 31.3.19 £	Company 31.3.20 £	Company 31.3.19 £
Cash flows from operating activities	1	172,089	586,129	15,583	546,973
Cash flows from investing activities					
Purchase of tangible fixed assets		(122,307)	(68,806)	(106,320)	(22,626)
Purchase of intangible fixed assets		(62,638)	(19,420)	(62,638)	(19,420)
Finance charges		(40,152)	(59,820)	(36,756)	(55,404)
Interest receivable		-	-	7,081	9,365
Net cash from investing activities		(225,097)	(148,046)	(198,633)	(88,085)
Cash flows from financing activities					
Loan to Enterprises		-	-	31,600	31,600
		-	-	31,600	31,600
(Decrease)/Increase in cash and cash equivalents in the reporting period		(53,008)	438,083	(151,450)	490,488
Cash and cash equivalents at the beginning of the reporting period	2	922,659	484,576	690,273	199,785
Cash and cash equivalents at the end of the reporting period	2	869,651	922,659	538,823	690,273

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 31.3.20 £	Group 31.3.19 £	Company 31.3.20 £	Company 31.3.19 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(91,790)	416,480	(101,088)	342,032
Depreciation/amortisation charges	160,574	128,316	133,372	109,188
Finance costs	40,152	59,820	36,756	55,404
Interest received	-	-	(7,081)	(9,365)
Loss on disposal	-	24,474	-	24,474
Increase / (Decrease) in stock	38,215	(3,614)	38,215	(3,614)
Decrease / (Increase) in debtors	53,849	(7,254)	13,093	(3,521)
(Increase) / Decrease in intercompany	-	-	(81,206)	125,957
Decrease in creditors	(28,911)	(32,093)	(16,478)	(93,582)
Net cash flow from operating activities	172,089	(586,129)	15,583	546,973

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

Group

	31.3.20 £	31.3.19 £
Cash in hand and at bank	869,651	922,659
	<u>869,651</u>	<u>922,659</u>

Company

	31.3.20 £	31.3.19 £
Cash in hand and at bank	538,823	690,273
	<u>538,823</u>	<u>690,273</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. STATUTORY INFORMATION

South Downs Leisure (A Company Limited by Guarantee) is a registered charity. The Charity's registered number and registered office address can be found on the Charity Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the provisions of FRS 102 (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There were no material departures from that standard.

The group's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the group. The financial statements are therefore presented in British Pound Sterling.

Going concern

The outbreak of COVID-19, which has taken place during the year ended 31 March 2020, has resulted in a pandemic causing extensive disruption across the globe. The resulting impact of the virus on the operations of the charitable company and its subsidiary and measures taken by various governments to contain the virus have negatively affected the charitable company and its subsidiary's results in the current financial year. The currently known impacts of COVID-19 on the charitable company and subsidiary are:

Charitable Company

- The closure of all leisure facilities in the United Kingdom by the UK Government on 21 March 2020 which resulted in no income from primary purpose trading activities from 21 March through to the reopening of facilities. Facilities in England were permitted to reopen on 25 July 2020.
- A significant reduction in income throughout March 2020 as cases of COVID-19 began to rise in the United Kingdom and lockdown was enforced.
- A reduction in income compared to previous years from reopening due to the measures that are required to ensure our facilities are COVID secure. The required measures limit the services offered and capacity of leisure sites.
- These developments have resulted in an operating loss for the period since the balance sheet date.

The full extent of the impact of COVID-19 on the charitable company is still unknown.

- The impact of changes in customers behaviour and confidence levels as a result of the continued existence of the pandemic in our society is currently unknown and if customers do not return to sites as anticipated this will have a significant impact on revenue generation.
- The government continues to implement measures to limit the spread of the virus and, as a result, there is a risk of local lockdowns which may have an impact on our revenues.
- A further nationwide lockdown similar to the one imposed in March 2020 would have a significant impact on revenue and, without a further package of government support, would have a significant impact on the charitable company's ability to realise its assets and settle its liabilities in the ordinary course of business.

In response to these matters, the entity has taken the following actions:

- We have taken and continue to take advantage of the Coronavirus Job Retention Scheme
- We have applied for, and been successful in receiving support of £750,000 through the Coronavirus Business Interruption Loan Scheme
- We have successfully negotiated financial support from Worthing Borough Council for a total of £594,480 in 2020/21
- We have taken advantage of the deferral of the March 2020 VAT liability which is now due to be paid in March 2021
- We continue to work with our local authority partners to secure further financial support to provide longer term security for the 2021/22 period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES – continued

Going concern - continued

- We have put new hygiene measures in place at our gyms, pools and fitness classes in line with coronavirus regulations.
- We have established across all of our services a minimum viable offering of services from re-opening.

Cash flow forecasts have been produced up to March 2022 based on the sites reopening on 25 July 2020, adjusted for the impact of the lockdown period and measures that have been put in place in readiness for re-opening. The key assumptions regarding revenue are based on the current expectations when various facilities and services can re-open and when the various activities can resume and the level of usage that can be achieved over the period covered by the forecast, determined as a proportion of historic usage achieved. Usage forecasts have been based on the capacity of each site in previous years and the potential capacity taking into account social distancing measures and reduced opening times for the sports facilities. Management have carried out an extensive review of the underlying cost base of the business and have factored in changes and restructuring that are likely to be implemented as a result of the impact of COVID-19 on the business which have been reflected in the forecasts. The forecasts include the level of financing that has already been agreed in regards to the CBIL received in September and Worthing Borough Council support. Any capital expenditure of a non-urgent nature has been delayed until a point where the economic conditions may be more certain. These forecasts indicate that the Charitable Company will remain within its financing facilities for the foreseeable future and will be able to meet its financial obligations as they fall due. However, in the current climate, it is extremely difficult to arrive at reliable expectations on which to base assumptions. If the key assumptions are not achieved as a result of the uncertainties noted above, this may cast doubt on the Charitable Company's ability to continue to operate.

Although it is not certain that these efforts will be successful, the board and executive management team has determined that the actions taken are sufficient to mitigate the uncertainties and has therefore prepared the financial statements on a going concern basis.

There are material uncertainties related to the events and conditions set out above that may cast significant doubt upon the group and society's ability to continue as a going concern and therefore whether the group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

South Downs Leisure Enterprise Limited

- The closure of Field Place on 23 March 2020 in line with the UK Government restrictions resulted in no income from the trading activities from 23 March 2020 to the reopening of the venue.
- The venue was permitted to reopen on 15 August 2020 with functions restricted to 30 guests.
- From 28 September 2020 the numbers of guests permitted to attend a wedding ceremony is reduced to 15.
- Receptions and celebrations must be a sit-down meal.
- Venues hosting wedding receptions and celebrations must be closed between 10pm and 5am.
- Groups of more than 6 people from different households cannot meet up in England thus preventing the booking of parties at the venue for the foreseeable future.

The full extent of the impact of COVID-19 on the subsidiary is still unknown:

- The duration of the current measures imposed by the government over guests and celebrations which restrict the size and duration of weddings is currently unknown, this has and will continue to impact the company's ability to deliver contracted services.
- The government continues to implement measures to limit the spread of the virus and the possibility of another local or nationwide lockdown with no government support package would have a significant impact on the subsidiary's ability to realise its assets and settle its liabilities in the ordinary course of business.

In response to these matters, the entity has taken the following actions:

- We have limited costs to only those that are essential in keeping the venue running and in a reasonable state of repair.
- We have postponed any planned capital purchases until the venue is running at full capacity.
- We have a continued relationship with the parent, South Downs Leisure, with funds that can be utilised if absolutely necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES – continued

Preparation of consolidated financial statements

The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary South Downs Leisure Enterprises Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account is not presented for the Charitable Company itself in accordance with the exemptions afforded by paragraph 397 of the SORP.

Income recognition

All incoming resources from recreation and leisure sites are included on the Statement of Financial Activities when the charitable company is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the charitable company will receive the income. Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences. Some services are provided in advance of an invoice being raised and as such is accrued until the invoice has been raised and the income recognised in the income and expenditure account. Income for annual memberships is accounted for over the membership year.

Grants receivable

Grants receivable in respect of a specified period relating to the general activities of the charitable company are recognised in the Statement of Financial Activities in the period in which they become receivable. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use.

Government grants

Government grants are recognised when it is reasonably certain that the conditions attached the grant are met. The grant is recognised on an accruals basis over the period necessary to match with the costs that they are associated

During the year the Charitable Company received the following revenue based grant:

Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received totalled £50,889 and has been included in income (note 4).

Unrestricted Funds

Unrestricted funds are incoming resources receivable or generated for the objects of the charitable company without further specified purpose and are available as general funds.

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the funds.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Resources expended include attributable VAT which cannot be recovered.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative, and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES – continued

Tangible fixed assets

Fixed assets costing in excess of £5,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and Fittings	- straight line over 5 years, straight line over 23 years
Exercise Equipment	- straight line over 5 years
IT, Audio & Visual Equipment	- straight line over 5 years

Irrecoverable VAT

Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Service Concession Arrangements

The charitable company has a Service Contract with Worthing Borough Council for the operation of leisure centres owned by the Council to which it has lease and management service contracts. Worthing Borough Council has rights under the contracts to specify the activities offered by the centres and has influence over the prices charged for them and specifies minimum standards for the services to be provided.

Property, plant and equipment

The buildings and plant at the centres are leased to the charitable company as part of the overall contractual relationship with Worthing Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the leisure centres, so that the charitable company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the charitable company's Balance Sheet.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Debtors receivable and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Debtors receivable and creditors payable over one year

Debtors and creditors are stated at value due as an appropriate interest/discount rate is effectively applied.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Allocation and apportionment of costs

Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites and in performance of the health activities. Charitable activities are split into recreation, leisure site and health activities costs, which are those costs incurred directly in the running of each of the sites and health activities, and support costs which are those costs incurred directly in support of expenditure on the objects of the Charitable Company.

Financial Instruments

The charitable company and subsidiary enter into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES – continued

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

The Charitable Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Pension costs and other post-retirement benefits

In respect of those defined benefit pension schemes where the local authority has indemnified the Charitable company against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of a contract, the amount charged to the statement of financial activities represents the contribution payable to the scheme in the accounting period without any actuarial adjustment.

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charitable company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets and the deferred income relating to memberships and bookings for the following year.

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

4. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the Group Statement of Financial Activities include those of the Charitable Company's wholly owned subsidiary South Downs Leisure Enterprises Limited.

A summary of the financial activities undertaken by the Charitable Company is set out below:

	31.3.20	31.3.19
	£	£
Gross incoming resources		
- Operation of leisure centres	5,951,772	6,420,102
- Grants (Coronavirus Job Retention Scheme)	50,889	-
Total expenditure on charitable activities	(6,110,830)	(6,087,435)
Loan interest from subsidiary	7,081	9,365
Net incoming / (outgoing) resources	<u>(101,088)</u>	<u>342,032</u>

Income from charitable activities was £6,002,661 (2019: £6,420,102) of which £21,375 (2019: £31,408) was attributable to restricted funds and £6,042,571 (2019: £6,388,694) was attributable to unrestricted funds. £50,889 was received in the form of government grants in relation to the Coronavirus Job Retention Scheme (2019: £Nil).

5. INCOMING / (OUTGOING) RESOURCES FROM COMMERCIAL TRADING OPERATIONS

A summary of the trading results of the wholly owned subsidiary South Downs Leisure Enterprises Limited is shown below:

	31.3.20	31.3.19
	£	£
Turnover	565,064	515,805
Cost of sales and administration costs	(548,685)	(431,992)
Interest on inter-group loan	<u>(7,081)</u>	<u>(9,365)</u>
Net profit	<u>9,298</u>	<u>74,448</u>

6. NET INCOME/EXPENDITURE OF THE PARENT CHARITABLE COMPANY

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent Charitable Company is not presented as part of these financial statements. The parent Charitable Company's net outgoing resources was £101,088 (2019: £342,032 net income).

7. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES COSTS

	Direct Costs	Direct Staff Costs	Support Costs (see note 9)	31.3.20 Total Charitable Activities	31.3.19 Total Charitable Activities
	£	£	£	£	£
Leisure, recreation and health activities	<u>1,998,741</u>	<u>3,752,267</u>	<u>359,822</u>	<u>6,110,830</u>	<u>6,087,435</u>

£35,205 (2019: £35,258) of the above costs were attributable to restricted funds and £6,075,625 (2019: £6,052,177) of the above costs were attributable to unrestricted funds.

SOUTH DOWNS LEISURE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

8. SUPPORT COSTS

Support costs, included in the above, are as follows:

	31.3.20 Operation of leisure, recreation sites and health activities	31.3.19 Operation of leisure, recreation sites and health activities
	£	£
External support services	105,969	72,503
Premises expenses	22,355	19,920
Advertising & marketing	46,769	61,972
Office administration	57,343	41,902
Consultancy	21,546	9,081
Training	28,949	36,814
Finance costs	36,756	55,404
Governance costs	24,974	33,743
Other support costs	15,161	63,967
	<u>359,822</u>	<u>395,306</u>

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and health services.

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/ (crediting):

	31.3.20 £	31.3.19 £
Hire of equipment	76,113	92,665
Depreciation	142,565	121,547
Amortisation	18,009	6,769
Auditors' remuneration	22,159	24,671
Auditors' remuneration for non-audit work	<u>3,400</u>	<u>4,500</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

Staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff and not in respect of their services as trustees. Other trustee did not receive any payments from the Trust in respect of their roles as trustees.

The value of trustees' remuneration was as follow:

C Hunter (Staff trustee):

Remuneration £30,000 - £35,000 (2019: £30,000 - £35,000)

Employer's pension contributions £9,000 - £9,500 (2019: £9,000 - £9,500)

Trustees' Expenses

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

11. STAFF COSTS

	31.3.20 £	31.3.19 £
Company		
Wages and salaries	3,128,039	3,120,513
Social security costs	145,948	154,062
Defined benefit pension costs	309,434	345,713
	<u>3,583,421</u>	<u>3,620,288</u>
Subsidiary		
Wages and salaries	144,319	114,154
Social security costs	10,044	8,365
Other pension costs	14,483	13,670
	<u>168,846</u>	<u>136,189</u>
	<u>3,752,267</u>	<u>3,756,477</u>

The average monthly number of employees during the year was as follows:

31.3.20	31.3.19
<u>383</u>	<u>449</u>

The total amount of employee benefits received by key management personnel is £408,279 (2019: £407,394). The charitable company considers its key management personnel to be the Chief Executive, Finance Director, Operations Director, HR Manager, Business Development Director, Sales and Marketing Director and the staff trustees.

The number of employees whose emoluments fell within the following bands was:

	31.3.20	31.3.19
£60,001 - £70,000	2	3
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
	<u>3</u>	<u>4</u>

The number of employees earning in excess of £60,000 (for the year) to whom retirement benefits are accruing:

31.3.20	31.3.19
<u>3</u>	<u>4</u>

12. TAXATION

The Charitable Company paid no corporation tax during the year. Provisions for £nil (2019: £nil) have been made at 31 March 2020 for corporation tax due in respect of the surplus from trading activities recorded in the year ended 31 March 2020. During the year ended 31 March 2020 all trading activities were conducted by the wholly owned subsidiary, South Downs Leisure Enterprises Limited.

South Downs Leisure Enterprises Limited has provisions included of £31,809 (2019: £33,940) in respect of deferred taxation and a corporation tax creditor of £4,312 (2019: £12,323) in respect of corporation tax payable on profits relating to trading income. The analysis of the tax charge on the profit for the year was as follows:

	31.3.20 £	31.3.19 £
Current tax:		
UK corporation tax	4,312	12,323
Deferred taxation movement	<u>(2,131)</u>	<u>5,140</u>
Tax on trading profit	<u>2,181</u>	<u>17,463</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

13. INTANGIBLE FIXED ASSETS

Group and company

	Computer software £
COST	
At 1 April 2019	50,346
Additions	62,638
Disposals	-
At 31 March 2020	<u>112,984</u>
AMORTISATION	
At 1 April 2019	17,219
Charge for year	18,009
Eliminated on disposal	-
At 31 March 2020	<u>35,228</u>
NET BOOK VALUE	
At 31 March 2020	<u>77,756</u>
At 31 March 2019	<u>33,127</u>

14. TANGIBLE FIXED ASSETS

Group

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2019	279,990	372,192	105,423	757,605
Additions	53,375	68,932	-	122,307
Disposals	-	-	-	-
At 31 March 2020	<u>333,365</u>	<u>441,124</u>	<u>105,423</u>	<u>879,912</u>
DEPRECIATION				
At 1 April 2019	201,177	115,882	82,867	399,926
Charge for year	59,065	64,307	19,193	142,565
Eliminated on disposal	-	-	-	-
At 31 March 2020	<u>260,242</u>	<u>180,189</u>	<u>102,060</u>	<u>542,491</u>
NET BOOK VALUE				
At 31 March 2020	<u>73,123</u>	<u>260,935</u>	<u>3,363</u>	<u>337,421</u>
At 31 March 2019	<u>78,813</u>	<u>256,310</u>	<u>22,556</u>	<u>357,679</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

14. TANGIBLE FIXED ASSETS - continued

Company

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2019	279,990	163,517	105,423	548,930
Additions	53,375	52,945	-	106,320
Disposals	-	-	-	-
At 31 March 2020	333,365	216,462	105,423	655,250
DEPRECIATION				
At 1 April 2019	201,177	85,837	82,867	369,881
Charge for year	59,065	37,105	19,193	115,363
Eliminated on disposal	-	-	-	-
At 31 March 2020	260,242	122,942	102,060	485,244
NET BOOK VALUE				
At 31 March 2020	73,123	93,520	3,363	170,006
At 31 March 2019	78,813	77,680	22,556	179,049

15. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2019 and 31 March 2020	1
NET BOOK VALUE	
At 31 March 2019 and 31 March 2020	1

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies included the following:

South Downs Leisure Enterprises Limited (company number 09261501)
Nature of business: Operation of an events venue

Class of share:	% holding	31.3.20 £	31.3.19 £
Ordinary	100		
Aggregate capital and reserves		113,685	107,707
Profit for the year		5,979	74,448

SOUTH DOWNS LEISURE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

16. STOCKS

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Stocks	<u>8,409</u>	<u>46,624</u>	<u>8,409</u>	<u>46,624</u>

Stock amounts recognised within expenditure for the current period are £291,315 (2019: £295,393).

17. DEBTORS

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Trade debtors	124,573	218,165	100,293	164,583
Other debtors	65,849	31,684	64,640	22,737
Loan to associate under 1 year	-	-	31,600	31,600
Prepayments and accrued income	111,373	105,795	98,976	89,682
Amounts owed by group undertakings	-	-	155,548	87,835
	<u>301,795</u>	<u>355,644</u>	<u>451,057</u>	<u>396,437</u>
Loan to associate over 1 year	-	-	<u>63,200</u>	<u>94,800</u>
Aggregate amounts	<u>301,795</u>	<u>355,644</u>	<u>514,257</u>	<u>491,237</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Trade creditors	236,550	39,662	233,194	33,199
Taxation	4,312	12,323	-	-
Social security and other tax	124,266	118,422	109,951	103,167
Other creditors	1,702	54,219	1,702	54,219
Accrued expenses	87,803	176,382	68,819	161,502
Deferred income	184,518	181,825	88,519	96,971
Deferred consideration - WBC	-	83,098	-	83,098
	<u>639,151</u>	<u>665,931</u>	<u>502,185</u>	<u>532,156</u>

Deferred Income

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Deferred income at 1 April 2018	181,825	169,410	96,971	115,155
Deferred during the period	184,518	181,825	88,519	96,971
Amounts released to income from prior periods	<u>(181,825)</u>	<u>(169,410)</u>	<u>(96,971)</u>	<u>(115,155)</u>
Deferred income at 31 March 2019	<u>184,518</u>	<u>181,825</u>	<u>88,519</u>	<u>96,971</u>

Deferred income at 31 March 2020 for the Charitable Company represents annual leisure membership income, where the consideration has been received in the year ended 31 March 2020 but the services were only provided following the year end. The Group deferred income also includes venue hire income under the same principles.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

19. OPERATING LEASE COMMITMENTS

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	31.3.20	31.3.19
Due < 1 year	67,062	67,062
Due 1-2 years	44,483	67,062
Due 2-5 years	-	44,483
	<u>111,545</u>	<u>178,607</u>

Operating lease amounts recognised within expenditure for the current period are £76,113 (2019: £92,665).

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group			31.3.20	31.3.19
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed Assets	415,177	-	415,177	390,806
Current Assets	1,146,544	33,311	1,179,855	1,324,927
Current Liabilities	(639,151)	-	(639,151)	(665,931)
Long Term Liabilities	(31,809)	-	(31,809)	(33,940)
	<u>890,761</u>	<u>33,311</u>	<u>924,072</u>	<u>1,015,862</u>

Company			31.3.20	31.3.19
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed Assets	247,762	-	247,762	212,176
Investment	1	-	1	1
Current Assets	1,041,671	33,311	1,074,982	1,228,134
Current Liabilities	(515,678)	-	(515,678)	(532,156)
Long Term Liabilities	-	-	-	-
	<u>773,756</u>	<u>33,311</u>	<u>807,067</u>	<u>908,155</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group			31.3.19	31.3.18
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed Assets	390,806	-	390,806	455,370
Current Assets	1,277,786	47,141	1,324,927	875,976
Current Liabilities	(665,931)	-	(665,931)	(631,352)
Long Term Liabilities	(33,940)	-	(33,940)	(100,612)
	<u>968,721</u>	<u>47,141</u>	<u>1,015,862</u>	<u>599,382</u>
Company			31.3.19	31.3.18
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed Assets	212,176	-	212,176	303,792
Investment	1	-	1	1
Current Assets	1,180,993	47,141	1,228,134	888,068
Current Liabilities	(532,156)	-	(532,156)	(553,926)
Long Term Liabilities	-	-	-	(71,812)
	<u>861,014</u>	<u>47,141</u>	<u>908,155</u>	<u>566,123</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

21. MOVEMENT IN FUNDS

Group	At 1.4.19	Net movement in funds	At 31.3.20
Unrestricted funds			
General	107,707	9,298	117,005
Designated	861,014	(87,258)	773,756
	<u>968,721</u>	<u>(77,960)</u>	<u>890,761</u>
Restricted funds			
Short Breaks Buddy PT	8,720	(2,409)	6,311
Walking Football	8,587	(7,828)	759
Disability Fun Day	15,892	(10,122)	5,770
Football Mash up grant	800	(800)	-
Leisure Futures	3,000	(3,000)	-
Awards for all	9,950	-	9,950
Green Dreams	192	1,225	1,417
Winter Pressures Chair Based Pilates	-	3,922	3,922
Aiming High Trampoline Equipment	-	1,575	1,575
Safe in Sussex Community Grant	-	2,500	2,500
Dementia Friendly Pottery	-	440	440
Disability Disco	-	667	667
	<u>47,141</u>	<u>(13,830)</u>	<u>33,311</u>
TOTAL FUNDS	<u>1,015,862</u>	<u>(91,790)</u>	<u>924,072</u>
Company	At 1.4.19	Net movement in funds	At 31.3.20
Unrestricted funds			
Designated	861,014	(87,258)	773,756
	<u>861,014</u>	<u>(87,258)</u>	<u>773,756</u>
Restricted funds			
Short Breaks Buddy PT	8,720	(2,409)	6,311
Walking Football	8,587	(7,828)	759
Disability Fun Day	15,892	(10,122)	5,770
Football Mash up grant	800	(800)	-
Leisure Futures	3,000	(3,000)	-
Awards for all	9,950	-	9,950
Green Dreams	192	1,225	1,417
Winter Pressures Chair Based Pilates	-	3,922	3,922
Aiming High Trampoline Equipment	-	1,575	1,575
Safe in Sussex Community Grant	-	2,500	2,500
Dementia Friendly Pottery	-	440	440
Disability Disco	-	667	667
	<u>47,141</u>	<u>(13,830)</u>	<u>33,311</u>
TOTAL FUNDS	<u>908,155</u>	<u>(101,088)</u>	<u>807,067</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

21. MOVEMENT IN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	At 1.4.18	Net movement in funds	At 31.3.19
Unrestricted funds			
General	33,259	74,448	107,707
Designated	527,161	333,853	861,014
	560,420	408,301	968,721
Restricted funds			
Big Lottery Over 50s Grant	-	-	-
Sportivate Rugby	-	-	-
Short Breaks Buddy PT	-	8,720	8,720
Walking Football	14,928	(6,341)	8,587
Exercise Referrals	-	-	-
Disability Holiday Programme	-	4,393	4,393
Sensory Room	9,735	(9,735)	-
Bruce Wakefield Trust – Gym accessibility	2,000	(2,000)	-
Sussex FA Disability Sessions	11,299	-	11,299
Football Mash up grant	800	-	800
SFS	200	-	200
Leisure Futures	-	3,000	3,000
Awards for all	-	9,950	9,950
Green Dreams	-	192	192
	38,962	8,179	47,141
TOTAL FUNDS	599,382	416,480	1,015,862
Company	At 1.4.18	Net movement in funds	At 31.3.19
Unrestricted funds			
Designated	527,161	333,853	861,014
	527,161	333,853	861,014
Restricted funds			
Big Lottery Over 50s Grant	-	-	-
Sportivate Rugby	-	-	-
Short Breaks Buddy PT	-	8,720	8,720
Walking Football	14,928	(6,341)	8,587
Exercise Referrals	-	-	-
Disability Holiday Programme	-	4,393	4,393
Sensory Room	9,735	(9,735)	-
Bruce Wakefield Trust – Gym accessibility	2,000	(2,000)	-
Sussex FA Disability Sessions	11,299	-	11,299
Football Mash up grant	800	-	800
SFS	200	-	200
Leisure Futures	-	3,000	3,000
Awards for all	-	9,950	9,950
Green Dreams	-	192	192
	38,962	8,179	47,141
TOTAL FUNDS	566,123	342,032	908,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

21. MOVEMENT IN FUNDS – continued

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	565,064	(548,685)	(7,081)	9,298
Designated	5,981,286	(6,075,625)	7,081	(87,258)
	<u>6,546,350</u>	<u>(6,624,310)</u>	<u>-</u>	<u>(77,960)</u>
Restricted funds				
Short Breaks Buddy PT	3,960	(6,369)	-	(2,409)
Walking Football	7-	(7,835)	-	(7,828)
Disability Fun Day	-	(10,122)	-	(10,122)
Football Mash up grant	-	(800)	-	(800)
Leisure Futures	-	(3,000)	-	(3,000)
Awards for all	-	-	-	-
Green Dreams	2,500	(1,275)	-	1,225
Winter Pressures Chair Based Pilates	5,000	(1,078)	-	3,922
Aiming High Trampoline Equipment	1,575			1,575
Safe in Sussex Community Grant	2,500			2,500
Dementia Friendly Pottery	440			440
Disability Disco	5,393	(4,726)		667
	<u>21,375</u>	<u>(35,205)</u>	<u>-</u>	<u>(13,830)</u>
TOTAL FUNDS	<u>6,567,725</u>	<u>(6,659,515)</u>	<u>-</u>	<u>(91,790)</u>
Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	5,988,367	(6,075,625)	-	(87,258)
	<u>5,988,367</u>	<u>(6,075,625)</u>	<u>-</u>	<u>(87,258)</u>
Restricted funds				
Short Breaks Buddy PT	3,960	(6,369)	-	(2,409)
Walking Football	7	(7,835)	-	(7,828)
Disability Fun Day	-	(10,122)	-	(10,122)
Football Mash up grant	-	(800)	-	(800)
Leisure Futures	-	(3,000)	-	(3,000)
Awards for all	-	-	-	-
Green Dreams	2,500	(1,275)	-	1,225
Winter Pressures Chair Based Pilates	5,000	(1,078)		3,922
Aiming High Trampoline Equipment	1,575			1,575
Safe in Sussex Community Grant	2,500			2,500
Dementia Friendly Pottery	440			440
Disability Disco	5,393	(4,726)		667
	<u>21,375</u>	<u>(35,205)</u>	<u>-</u>	<u>(13,830)</u>
TOTAL FUNDS	<u>6,009,742</u>	<u>(6,110,830)</u>	<u>-</u>	<u>(101,088)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

21. MOVEMENT IN FUNDS – continued

Comparative information in respect of the preceding period is as follows

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	515,805	(431,992)	(9,365)	74,448
Designated	6,388,694	(6,052,177)	(2,664)	333,853
	<u>6,904,499</u>	<u>(6,484,169)</u>	<u>(12,029)</u>	<u>408,301</u>
Restricted funds				
Big Lottery Over 50s Grant	-	(1,656)	1,656	-
Sportivate Rugby	-	-	-	-
Short Breaks Buddy PT	8,736	(1,913)	1,897	8,720
Walking Football	-	(6,341)	-	(6,341)
Exercise Referrals	-	(1,098)	1,098	-
Disability Holiday Programme	5,864	(4,717)	3,246	4,393
Sensory Room	-	(13,867)	4,132	(9,735)
Bruce Wakefield Trust – Gym accessibility	-	(2,000)	-	(2,000)
Sussex FA Disability Sessions	-	-	-	-
Football Mash up grant	-	-	-	-
SFS	-	-	-	-
Leisure Futures	3,000	-	-	3,000
Awards for all	9,950	-	-	9,950
Green Dreams	3,858	(3,666)	-	192
	<u>31,408</u>	<u>(35,258)</u>	<u>12,029</u>	<u>8,179</u>
TOTAL FUNDS	<u>6,935,907</u>	<u>(6,519,427)</u>	<u>-</u>	<u>416,480</u>
Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	6,398,059	(6,052,177)	(12,029)	333,853
	<u>6,398,059</u>	<u>(6,052,177)</u>	<u>(12,029)</u>	<u>333,853</u>
Restricted funds				
Big Lottery Over 50s Grant	-	(1,656)	1,656	-
Sportivate Rugby	-	-	-	-
Short Breaks Buddy PT	8,736	(1,913)	1,897	8,720
Walking Football	-	(6,341)	-	(6,341)
Exercise Referrals	-	(1,098)	1,098	-
Disability Holiday Programme	5,864	(4,717)	3,246	4,393
Sensory Room	-	(13,867)	4,132	(9,735)
Bruce Wakefield Trust – Gym accessibility	-	(2,000)	-	(2,000)
Sussex FA Disability Sessions	-	-	-	-
Football Mash up grant	-	-	-	-
SFS	-	-	-	-
Leisure Futures	3,000	-	-	3,000
Awards for all	9,950	-	-	9,950
Green Dreams	3,858	(3,666)	-	192
	<u>31,408</u>	<u>(35,258)</u>	<u>12,029</u>	<u>8,179</u>
TOTAL FUNDS	<u>6,429,467</u>	<u>(6,087,435)</u>	<u>-</u>	<u>342,032</u>

Big Lottery Over 50s Grant

Funding from the Big Lottery to encourage the community's over 50s to get together and get active.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

21. MOVEMENT IN FUNDS – continued

Sportivate Rugby

A Big Lottery funded project to encourage more young people to take part in rugby.

Short Breaks Buddy PT

Discounted PT sessions and gym access for children with disabilities aged 14-18 years.

Walking Football

A lower impact, slower version of the game aimed at those over 50.

Exercise Referrals

A programme of GP referrals funded by Adur District Council.

Disability Holiday Programme

A programme of fun, sporting holiday activities for children with disabilities.

Sensory Room

A Big Lottery funded project to create a soft play area for children on the autism spectrum with staff receiving specialist autism training.

Bruce Wakefield Trust – Gym Accessibility

Funding to look into gym access for the disabled and update to ensure accessibility.

Sussex FA Disability Sessions

A funded project to encourage disabled people to take part in football.

Leisure Futures

A funded project to look into the building of a new leisure centre to replace Worthing Leisure Centre.

Winter Pressures Chair Based Pilates

The overarching aim of the programme is to improve health outcomes and reduce the demand for services by reducing the risk of falls in older people.

Aiming High Trampoline Equipment

Funding for equipment to support children and young people with disabilities and mobility issues to take part in trampolining session.

Safe in Sussex Community Grant

The grant is aimed at providing local organisations financial support to reduce crime and improve safety in their local areas using various initiatives.

Dementia Friendly Pottery

Funding for the provision of regular 'relaxed' pottery sessions for people with Dementia and Alzheimer's.

Disability Disco

A funded project to host 'Silent Discos' for young people with learning difficulties and physical disabilities.

Transfers between funds

The transfers in the year represent a reallocation between unrestricted funds and restricted funds to cover expenditure in excess of funding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

22. CAPITAL COMMITMENTS

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Contracted for but not provided for in the financial statements	-	14,571	-	-

23. LEGAL STATUS

The Charity is a Company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

24. RELATED PARTY TRANSACTIONS

South Downs Leisure Enterprises Limited

During 2018 a loan of £158,000 was made to South Downs Leisure Enterprises Limited, a company fully owned by South Downs Leisure, at a commercial rate of 6% per annum. During the year £31,600 was repaid (2019: £31,600) which incurred interest of £7,081 (2019: £9,365). At 31 March 2020 £94,800 (2019: £126,400) was outstanding and is included in creditors in the Charitable Company.

During the year costs were recharged to South Downs Leisure Enterprises for wages, rent, management charges and VAT, as at 31 March 2020 South Downs Leisure Enterprises owed £155,548 ((2019: £87,835).

25. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party. The Board of Trustees and the management team are responsible for the strategic and operational decisions of the Charitable Company.

