

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR

ASHFORD LEISURE TRUST
(A COMPANY LIMITED BY GUARANTEE)

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

ASHFORD LEISURE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 MARCH 2020

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ASHFORD LEISURE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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 statements of the charitable company for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05206698 (England and Wales)

Registered Charity number
1120820

Registered office
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Trustees
Mr B Morrissey – resigned 14 June 2020
Mr D Hill – resigned 12 January 2021
Mr C Vavasour
Mrs L Dodds
Mr S Webber – resigned 29 July 2020
Mr M Bowles – appointed 2 February 2021
Mr P Dawson – appointed 2 February 2021

Chief Executive Officer
Mrs E Wood

Auditors
McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
ME10 4AE

Solicitors
Winckworth Sherwood
Minerva House
5 Montague Close
LONDON
SE1 9BB

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Ashford Leisure Trust Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 16 August 2004. It became registered as a charity with the charity commission on 12 September 2007.

Recruitment and appointment of new trustees

Trustees are appointed in accordance with the Memorandum and Articles of Association. As set out in the Articles of Association the chair of the trustees is nominated by Ashford Leisure Trust. Ashford Borough Council has the right to nominate one trustee, however, a further representative can be appointed when the number of trustees excluding the council representative exceeds eight. In June 2017 Ashford Borough took the decision to no longer nominate someone to be a trustee.

Induction and training of new trustees

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charitable company. During the induction process they meet key employees and other trustees (if they have not met these already). Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisational structure

The board of trustees, which can have up to twelve members excluding representative trustees, administers the charitable company. The board meets at least once every two months. A Chief Executive is appointed by the trustees to manage the day to day operations of the charitable company. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and employment related activity.

Related parties

Ashford Leisure Trust has partnership arrangements with a range of local partners, including Ashford Borough Council, and Kent County Council for the effective joint delivery of community sport, leisure, health and fitness initiatives.

Risk management

The trustees have a duty to identify and review the risks to which the charitable company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees have a risk management document which is reviewed on an annual basis which includes action taken by the charitable company to mitigate significant risks. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

Remuneration of Key Management Personnel

Remuneration of key management personnel (the Chief Executive) is set by the board. Benchmarking from other similar organisations from within Sporta and local Trusts within Kent to ensure both national and regional information is also used.

OBJECTIVES AND ACTIVITIES

Purposes and Aims

The purposes of the charitable company as set out in the objects contained in the company's memorandum of association are to:

- Benefit the public by providing facilities in the interest of social welfare and education with the object of improving the conditions of life through the provision of community leisure and sports centre and other recreational facilities and activities.
- Persons in need of such facilities living within the Borough of Ashford and the surrounding area.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND ACTIVITIES (continued)

Our aims, objectives and activities are reviewed each year to ensure that the charitable company remains focused on its stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

Our main objectives for 2019/20 continued to be to provide facilities and services in the interest of social welfare and education with the objective of improving the quality of life for the community of the Borough of Ashford and surrounding area. The strategies used to help meet this objective at the three sites managed (The Stour Centre, Julie Rose Stadium and Conningbrook Country Park Lakes) included:

Provision of a broad range of facilities and services for leisure and recreational purposes in the interest of social welfare.
Continued work with partner organisations to ensure that the facilities and services are available to all sectors of the community to ensure accessible use for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities or services.

The promotion and preservation of good or improved health and well-being through community participation in leisure, recreation and sport.

How our activities deliver public benefit

All our charitable activities focus on the provision of recreational and sporting facilities and services for the local community and are undertaken to further our charitable purpose for the benefit of the public.

Public Benefit Statement

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 the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Who used and benefited from our service?

We believe that equal and easy accessibility to our facilities and services is key to our success. We therefore ensured a varied programme was offered with attendance and participation recorded in order to monitor the level of our achievement. The population of the borough of Ashford is approximately 110,000 and visits to our facilities in 2019/20 reached approximately 750,774. This was a 3.75% reduction from the previous year however this variance is largely due to attendance dramatically reducing during March 2020 and then ceasing as a result of the forced closure due to COVID-19

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Ashford Leisure Trust became an operational charity on the 12 September 2007. The main areas of charitable activity were the operation of the Stour Centre, Julie Rose Stadium and management of the water sports on the lakes at Conningbrook Country Park (located next to the Julie Rose Stadium). The trust had a 21 year lease of the Stour Centre (October 2009-October 2030) and was able to secure a new two year management agreement in October 2017 for the Julie Rose Stadium and Conningbrook Lakes and Country Park which was extended during the joint procurement process with Ashford Leisure Trust. Having committed to participating in this process the four themes previously identified as a focus for the trust were considered when key decisions were required. These themes were:

- Wellbeing – ensuring the emphasis on the wellbeing of the community is of utmost importance
- First Class Facilities – provision of first class facilities to meet the needs of the growing community

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENT AND PERFORMANCE (continued)

Charitable activities (continued)

- Financial stability – to enable sustainability, growth and investment
- Partnerships – further developed to consider the joint working and service provision options.

The main focus for the Trust during 2019/20 was the successful completion of the procurement process to appoint a new operator to manage the Stour Centre, Julie Rose Stadium and Conningbrook Lakes. This process was completed in partnership with Ashford Borough Council as the landlord of these facilities.

Originally the Trust had intended to retain the leases and be part of a tri-partite arrangement with Ashford Borough Council and the new operator by monitoring the operator's performance to contract. However as the process progressed and following further consideration it became evident that the Trust would be better placed in achieving its objectives and use of its available funds by stepping aside from the proposed monitoring role and surrendering the lease of the Stour Centre. This would also facilitate a direct relationship between the new operator and the council.

The Trust continued to have a full role in the procurement process ensuring that there was suitable appointment of a new operator. Originally the process was due to be completed by October 2019 however this was extended to February 2020 and then April 2020 whilst final contract details were confirmed between the new operator and the council.

The new operator, Wealden Leisure Limited, trading as Freedom Leisure, was successfully appointed and the business and contracted staff were due to transfer on 1st April 2020. However just as the last details were being finalised, on 20th March 2020 all leisure facilities were closed with immediate effect due to COVID-19.

Despite the obvious challenges posed by the uncertainty created by the procurement process and reduced usage and closure due to COVID-19, the day to day management of the facilities, when opening was permitted, was most successful with usage only being 3.8% down from 2018/19. In February 2020 cumulative usage was up by 5% from 2018/19. An operational surplus was also generated despite reduced usage during early March due to COVID and full closure from 20th March 2020.

Areas of the business that performed particularly well included gym memberships (up by 6 % from 2018/19) and swim school memberships (up by 4% from 2018/19).

Covid-19 closure provided all leisure operators with immense difficulties and uncertainty and it was agreed by all parties that it was not the most appropriate time to transfer a business and its staff. ALT therefore agreed to remain in position and Ashford Borough Council agreed to cover all additional costs during this time, until handover was possible. The majority of staff were placed on furlough leave with a small team of 5 continuing to work.

Post April 2020

As time progressed during lockdown the viability of re-opening the Stour Centre was assessed whilst considering the refurbishment plans of Freedom Leisure. In July 2020 the Council decided to keep the Stour Centre closed and to bring forward the capital work. As a result, at Ashford Borough Council's request, 110 members of staff were made redundant and the closed facility transferred to Freedom Leisure on 1 September 2020 together with 25 staff who were transferred to Freedom Leisure to work at the Julie Rose Stadium which was permitted to re-open in August 2020 when Covid-19 restrictions were being relaxed.

During the above process the Trustees also focused on reviewing their objects for when they were no longer responsible for operational management of the leisure facilities. The Trustees decided to be a grant awarding trust using the reserves that would remain with them. The objects changed to:

"To promote community participation in healthy recreational activity in the Borough of Ashford by providing grants, awards and/or financial assistance to individuals, clubs, organisations and/or sports teams"

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW

The financial performance for 2019/20 is detailed in the following financial statements. By virtue of its status as a registered charity the Trust continues to deliver significant tax savings. Income from charitable activities increased in the year by just over 4%, an increase that is mainly attributed to memberships. The available funds before accounting for the pension deficit have increased.

Reserves policy

The trust has a deficit on reserves of £(505,875) (2019: £(875,373)) at 31 March 2020 after accounting for the deficit on the local government pension scheme (LGPS) of £(1,331,000) (2019 £(1,611,000)). Unrestricted reserves excluding the pension liability were £820,204 (2019: £725,657). Restricted reserves were £4,921 (2019: £9,970). The trustees continued to make payments into the LGPS until the transfer of the business in accordance with the rates agreed by the pension trustee and the actuary and were servicing this liability as it fell due.

When considering the level of reserves that the charitable company should hold the trustees have now considered their altered objects and believe a level of reserves sufficient to facilitate their grant giving objects is now required and is significantly below the level of reserves now held since the transfer of the pension liability. The trustees will now work towards their object of disseminating funds to organisations that can further its charitable objects.

Designated reserves

Due to the investment and delivery partner procurement process only essential improvements and investments were made as it was prudent to limit any potential abortive expenditure, whilst of course maintaining a suitable level of service delivery. Accordingly previous designations made by the board in the previous periods were released.

Going concern

The outbreak of Covid 19 has had negative an impact on the trust and the sector within which it operates. However because the Trust was already involved in negotiations to surrender its lease and exit its contracts to run leisure facilities it was able to secure funding for the period of closure as well as support with redundancy payments which has restricted the need for the charitable company to utilise its retained reserves.

As a direct result of the decision to surrender the lease of the Stour Centre Ashford Leisure Trust will cease to be an admitted member of the LGPS as its employees will transfer to the new operator. The impact of this may have crystallised the trusts liability on the LGPS. The Local Authority and Pension scheme have confirmed that the cessation value of the Trust's pension liability upon transfer was calculated on an ongoing basis and that Ashford Leisure Trust was not required to make any final payments into the scheme.

The Trustees are confident that the cessation of its membership of the LGPS will have a significant positive impact on its reserves; that the Trust will have sufficient reserves to continue for the foreseeable future; and that it is therefore appropriate to continue to adopt the going concern basis in preparing this annual report and accounts.

Principal funding sources

There is no other source of funding other than the income generated from users of the facilities and services of the trust. A management fee is not received in respect of the Julie Rose Stadium or Stour Centre, however, in accordance with the terms of the lease agreement the consumption of gas and electricity at the Stour Centre is paid for by Ashford Borough Council.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW - continued

Investment policy and objectives

Ashford Leisure Trust currently operates a savings account where any surpluses to the bank account are swept into an interest bearing deposit account which is payable at 1% above base rate.

Fundraising activities

Ashford Leisure Trust does not use professional fundraisers in order to raise funds. All of the income is derived from sales and grants received.

FUTURE DEVELOPMENTS

The Trustees now look to the future and have recently appointed additional Trustees to help contribute to the new objectives. Kent Community Foundation has been identified as a suitable organisation to help manage and oversee the grant-giving process as well as to promote the grants during the year. The Trust intends to hold up to three rounds of grant giving per annum.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Ashford Leisure Trust 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 2015 (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 business.


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 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.

The report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
Mrs L. Dodds – Trustee

Date: 18/03/2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ASHFORD LEISURE TRUST

Opinion

We have audited the financial statements of Ashford Leisure Trust (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the 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
ASHFORD LEISURE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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 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: 18/03/2021

ASHFORD LEISURE TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Notes	Unrestricted Funds £	Restricted Funds £	Pension Adjustment Unrestricted £	31.3.20 Total Funds £	31.3.19 Total Funds £
INCOME						
Donations and legacies	2	-	-	-	-	2,500
<i>Income from charitable activities:</i>						
Operation of Recreation and Leisure Sites	3	2,825,841	35,697	-	2,861,538	2,727,875
<i>Income from other trading activities:</i>						
Lettings	4	21,733	-	-	21,733	24,270
Investment Income	5	2,049	-	-	2,049	1,070
Total income		2,849,623	35,697	-	2,885,320	2,755,715
EXPENDITURE						
<i>Expenditure on charitable activities:</i>						
Operation of leisure and recreation sites	6	2,755,076	40,746	128,000	2,923,822	2,846,949
Total expenditure		2,755,076	40,746	128,000	2,923,822	2,846,949
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS		94,547	(5,049)	(128,000)	(38,502)	(91,234)
Gross transfers between funds		-	-	-	-	-
Net income / (expenditure) for the year before other comprehensive Income		94,547	(5,049)	(128,000)	(38,502)	(91,234)
Actuarial gains / (losses) on defined benefit pension schemes	21	-	-	408,000	408,000	70,000
Net movement in funds		94,547	(5,049)	280,000	369,498	(21,234)
RECONCILIATION OF FUNDS						
Total funds brought forward		725,657	9,970	(1,611,000)	(875,373)	(854,139)
TOTAL FUNDS CARRIED FORWARD		820,204	4,921	(1,331,000)	(505,875)	(875,373)

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

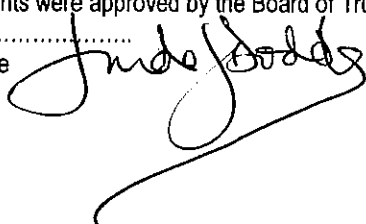
BALANCE SHEET
AT 31 MARCH 2020

		31.03.20	31.03.20	31.03.19	31.03.19
		Total	Total	Total	Total
		Funds	Funds	Funds	Funds
		£	£	£	£
	Notes				
FIXED ASSETS					
Tangible assets	13		89,695		99,052
CURRENT ASSETS					
Stocks	14	11,787		12,921	
Debtors	15	75,032		150,942	
Cash at bank and in hand		864,197		828,161	
		<u>951,016</u>		<u>992,024</u>	
CREDITORS					
Amounts falling due within one year	16	(206,472)		(339,853)	
NET CURRENT ASSETS			<u>744,544</u>		<u>652,171</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSION LIABILITY			834,239		751,223
CREDITORS					
Amounts falling due after more than one year	17		(9,114)		(15,596)
PENSION LIABILITY	21		(1,331,000)		(1,611,000)
NET ASSETS / (LIABILITIES)			<u>(505,875)</u>		<u>(875,373)</u>
FUNDS	22				
Unrestricted funds:					
General reserves		820,204		725,657	
Designated reserves		-		-	
Pension reserve		(1,331,000)		(1,611,000)	
Restricted funds		<u>4,921</u>		<u>9,970</u>	
TOTAL FUNDS			(505,875)		(875,373)
			<u>(505,875)</u>		<u>(875,373)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 18/03/2021 and were signed on its behalf by:

Mrs L Dodds - Trustee



The notes form part of these financial statements

ASHFORD LEISURE TRUST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	31.3.20 £	31.3.19 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>79,412</u>	<u>152,072</u>
Net cash provided by (used in) operating activities		<u>79,412</u>	<u>152,072</u>
Cash flows from Investing activities:			
Purchase of tangible fixed assets		(33,452)	(35,509)
Interest received		<u>2,049</u>	<u>1,071</u>
Net cash provided by (used in) investing activities		<u>(31,403)</u>	<u>(34,438)</u>
Cash flows from financing activities:			
Interest element of hire purchase and finance lease rental payments		(917)	(672)
Capital repayments in year		<u>(6,482)</u>	<u>(6,481)</u>
Net cash provided by (used in) financing activities		<u>(7,399)</u>	<u>(7,153)</u>
Change in cash and cash equivalents in the reporting period		40,610	110,481
Cash and cash equivalents at the beginning of the reporting period	2	<u>823,587</u>	<u>713,106</u>
Cash and cash equivalents at the end of the reporting period	2	<u>864,197</u>	<u>823,587</u>

The notes form part of these financial statements

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

1. RECONCILIATION OF NET (EXPENDITURE) TO CASH GENERATED FROM OPERATIONS

	31.3.20	31.3.19
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(38,502)	(91,234)
Adjustments for:		
Depreciation charges	36,424	49,261
Loss on disposal of fixed assets	6,385	3,152
Interest received	(2,049)	(1,071)
Interest element of hire purchase and finance lease rental payments	917	672
Past service costs	35,000	-
Expected return on pension costs	40,000	42,000
(Increase)/decrease in stocks	1,134	(2,159)
Decrease in debtors	75,910	39,989
(Increase) / Decrease in creditors	(128,807)	59,462
Difference between pension charge and cash contributions	<u>53,000</u>	<u>52,000</u>
Net cash provided by (used in) operating activities	<u>79,412</u>	<u>152,072</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.20	31.3.19
	£	£
Cash in hand	1,112	7,111
Notice deposits (less than 3 months)	863,085	821,050
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(4,574)</u>
Total cash and cash equivalents	<u>864,197</u>	<u>823,587</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.19	Cash flow	At 31.3.20
	£	£	£
Net cash			
Cash at bank and in hand	828,161	36,036	864,197
Bank overdraft	<u>(4,574)</u>	<u>4,574</u>	<u>-</u>
	<u>823,587</u>	<u>40,610</u>	<u>864,197</u>
Debt			
Finance leases	<u>(22,058)</u>	<u>6,482</u>	<u>(15,576)</u>
	<u>(22,058)</u>	<u>6,482</u>	<u>(15,576)</u>
Total	<u>801,529</u>	<u>47,092</u>	<u>848,621</u>

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

1. ACCOUNTING POLICIES

Statutory information

The charitable company is a company limited by guarantee and a registered Charity. The charitable company's registered number and registered office address can be found on page one.

Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable entities preparing their accounts in accordance with the Financial Reporting Standard 102. The charitable company constitutes a Public Benefit Entity as defined by FRS 102.

Basis of preparing the financial statements

Under Section 28 Employee Benefits of Financial Reporting Standard 102 the deficit on the charitable company's pension scheme has been included in the financial statements and the charitable company's funds have therefore been reduced by the pension deficit creating net liabilities of £505,875 (2019: net liabilities £875,373) at the year end. The trustees are satisfied that the charitable company will be able to meet all of its obligations as and when they fall due and makes payments to the pension scheme in accordance with the scheme actuary's instructions.

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 COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations of the charitable company and measures taken by the UK government to contain the virus have negatively affected the charitable company's results in March 2020 and the current financial year.

The Charitable Company had entered into an agreement with Ashford Borough Council before the year end to surrender its leases and to cease operating leisure facilities on behalf of the Local Authority in return for an agreed settlement of £300,000. The planned date of the surrender had been 1 February 2020 and then 1 April 2020, however as a result of the Covid 19 pandemic this surrender was delayed until 1 September 2020.

The Charitable Company agreed to continue operating the sites on behalf of the Local Authority for the period up to the transfer date, although it was agreed that the Stour Centre would not reopen. The Local Authority funded a proportion of the redundancies associated with this decision and a specified level of deficits incurred by the trust over the 5 month period to transfer.

Upon surrender of the leases and cessation of the charitable company's membership of the Local Government Pension Scheme it has been confirmed by the Local Authority that the pension liability has not crystallised and the charitable company has no further liabilities in respect of this scheme.

Taking this into account the trustees are confident that the charitable company's retained reserves which are no longer reduced by the pension liability are sufficient and that the charitable company will be able to service its liabilities as and when they fall due. Accordingly, the trustees consider that the charitable company will manage its business risks successfully and therefore continue to adopt the going concern basis in preparing the annual report and accounts.

Income recognition

Items of income are recognised and included in the accounts when all of the following criteria are met:

- i. The charitable company has entitlement to the funds;
- ii. any performance conditions attached to the items of income have been met or are fully within the control of the charitable company;
- iii. there is sufficient certainty that receipt of the income is considered probable; and
- iv. the amount can be measured reliably.

Income represents net sales of goods and services, excluding Value Added Tax and discounts to customers. Income received in respect of future events has been deferred and will be released when the event is complete or over the period to which the income relates. Membership income is deferred over the period of membership.

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

1. ACCOUNTING POLICIES - continued

Grants Receivable and Management Fees

Grants receivable and management fees in respect of a specified period relating to the general activities of the charitable company are recognised in the income and expenditure account in the period in which they become receivable. Capital grants are treated as deferred income and are credited to the income and expenditure account by instalments over the expected useful life of the related asset on a basis consistent with the depreciation policy.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources. Resources expended include attributable VAT which can not be recovered. Irrecoverable VAT relating to fixed assets is charged to the income and expenditure account during the period in which it is incurred. Governance costs comprise the costs of running the charitable company, including external audit and the preparation of the statutory financial statements.

Allocation and apportionment of costs

Support costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Where support costs cannot be attributed directly they are apportioned using income as the basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Sports equipment	- straight line over 5 years
Fixtures and fittings	- straight line over 5 years
Computer equipment	- straight line over 3 years

Assets over £1,000 are capitalised on the Balance Sheet.

Stocks

Stocks are valued at the lower of cost and net realisable value, using the first in first out method, after making due allowance for obsolete and slow moving items.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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

1. ACCOUNTING POLICIES - continued

Presentation currency

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

Pension costs and other post-retirement benefits

The charitable company operates a pension scheme providing benefits based on final pensionable pay. Contributions to the defined benefit scheme are charged to the Statement of Financial Activities in order to allocate the cost of providing the pensions, recognising any actuarial surplus or deficiency (where appropriate), over the working lives of the relevant employees as assessed in accordance with the advice of a professionally qualified actuary.

This final salary pension was closed to new employees in March 2014. A defined contribution scheme is now offered to all new employees.

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred. These include contributions to the stakeholder pension scheme and employee's personal pension schemes.

Property, plant and equipment

The buildings and plant at the centre are leased to the charitable company as part of the overall contractual relationship with the Authority but the Authority 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 facilities, 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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the society'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 relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to 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 inclusion of the pension deficit in respect of the local government pension scheme. In addition management make provision for membership taken in advance of service delivery.

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

2. DONATIONS

	Unrestricted funds £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total Funds £
The Heart Group	-	-	-	2,500
	-	-	-	2,500

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	31.3.20 £	31.3.19 £
Leisure activities	Charitable activities	2,861,538	2,727,875

Income from charitable activities was £2,861,538 (2019: £2,727,875) of which £35,697 (2019: £8,424) was attributable to restricted funds and £2,825,841 (2019: £2,719,451) was attributable to unrestricted funds.

4. INCOME FROM OTHER TRADING ACTIVITIES

	31.3.20 Total Funds £	31.3.19 Total Funds £
Facility Lettings	21,733	24,270
	21,733	24,270

Income from activities for generating funds was £21,733 (2019: £24,270) of which £nil (2019: £nil) was attributable to restricted funds and £21,733 (2019: £24,270) was attributable to unrestricted funds.

5. INVESTMENT INCOME

	31.3.20 £	31.3.19 £
Deposit account interest	2,049	1,070
	2,049	1,070

Income from investments was £2,049 (2019: £1,070) of which £nil (2019: £nil) was attributable to restricted funds and £2,049 (2019: £1,070) was attributable to unrestricted funds.

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

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Staff Costs £	Support Costs (See note 7) £	2020 Total Charitable Activities £	2019 Total Charitable Activities £
Leisure Centres	997,189	1,712,473	214,160	2,923,822	2,846,949

£40,746 (2019: £954) of the above costs were attributable to restricted funds and £2,883,076 (2019: £2,845,995) of the costs were attributable to unrestricted funds.

7. SUPPORT COSTS

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

	31.3.20 Charitable activities £	31.3.19 Charitable activities £
Insurance	40,643	41,424
Other support costs	14,283	5,734
IT support	16,667	20,000
Payroll and outsourced accountancy	35,199	33,407
Legal fees	58,663	57,712
Pension net interest cost	39,000	41,000
Pension administration cost	1,000	1,000
Governance costs (note 8)	8,705	7,665
	<u>214,160</u>	<u>207,942</u>

8. GOVERNANCE COSTS

	31.3.20 Charitable activities £	31.3.19 Total activities £
Auditors' remuneration	<u>8,705</u>	<u>7,665</u>

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.20 £	31.3.19 £
Auditors' remuneration	8,705	7,665
Depreciation - owned assets	36,424	49,261
Deficit on disposal of fixed asset	<u>6,385</u>	<u>3,152</u>

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

10. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

During the year ended 31 March 2020 Ashford Leisure Trust Limited paid a premium for Trustees Indemnity Insurance of £3,251 (2019: £3,097).

11. STAFF COSTS

	31.3.20	31.3.19
	£	£
Wages and salaries	1,492,072	1,446,202
Social security costs	69,758	67,089
Other pension costs	<u>150,643</u>	<u>113,934</u>
	<u>1,712,473</u>	<u>1,627,225</u>

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

	31.3.20	31.3.19
Management	5	4
Support	7	5
Operational	<u>141</u>	<u>148</u>
	<u>153</u>	<u>157</u>

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

11. STAFF COSTS - continued

Details of employees earning in excess of £60,000 (for the year):

	31.3.20	31.3.19
£90,001 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	<u>1</u>	<u>-</u>

	31.3.20	31.3.19
The number of employees to whom retirement benefits are accruing	<u>1</u>	<u>1</u>

The total amount of employee benefits received by key management personnel is £231,662 (2019: £176,147). The charitable company considers that key management personnel comprises of the Chief Executive Officer and the Centre Manager.

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Pension Adjustment Unrestricted	31.3.19 Total Funds
	£	£	£	£
INCOME				
Donations and legacies	-	2,500	-	2,500
<i>Income from charitable activities:</i>				
Operation of Recreation and Leisure Sites	2,719,451	8,424	-	2,727,875
<i>Income from other trading activities:</i>				
Lettings	24,270	-	-	24,270
Investment Income	1,070	-	-	1,070
Total income	2,744,791	10,924	-	2,755,715
EXPENDITURE				
<i>Expenditure on charitable activities:</i>				
Operation of leisure and recreation sites	2,751,995	954	94,000	2,846,949
Total expenditure	2,751,995	954	94,000	2,846,949
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS	(7,204)	9,970	(94,000)	(91,234)
Gross transfers between funds	-	-	-	-
Net income / (expenditure) for the year before other comprehensive income	(7,204)	9,970	(94,000)	(91,234)
Actuarial gains / (losses) on defined benefit pension schemes	-	-	70,000	70,000
Net movement in funds	(7,204)	9,970	(24,000)	(21,234)
RECONCILIATION OF FUNDS				
Total funds brought forward	732,861	-	(1,587,000)	(854,139)
TOTAL FUNDS CARRIED FORWARD	725,657	9,970	(1,611,000)	(875,373)

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

13. TANGIBLE FIXED ASSETS

	Sports equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2019	212,609	86,784	57,395	356,788
Additions	32,524	928	-	33,452
Disposals	<u>(10,590)</u>	<u>-</u>	<u>(2,921)</u>	<u>(13,511)</u>
At 31 March 2020	<u>234,543</u>	<u>87,712</u>	<u>54,474</u>	<u>376,729</u>
DEPRECIATION				
At 1 April 2019	123,990	78,715	55,031	257,736
Charge for year	31,911	2,782	1,731	36,424
Eliminated on disposal	<u>(4,838)</u>	<u>-</u>	<u>(2,288)</u>	<u>(7,126)</u>
At 31 March 2020	<u>151,063</u>	<u>81,497</u>	<u>54,474</u>	<u>287,034</u>
NET BOOK VALUE				
At 31 March 2020	<u>83,480</u>	<u>6,215</u>	<u>-</u>	<u>89,695</u>
At 31 March 2019	<u>88,619</u>	<u>8,069</u>	<u>2,364</u>	<u>99,052</u>

14. STOCKS

	31.3.20	31.3.19
	£	£
Stocks	<u>11,787</u>	<u>12,921</u>

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

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Trade debtors	59,466	64,916
Other debtors	1,044	8,139
Prepayments and accrued income	<u>14,522</u>	<u>77,887</u>
	<u>75,032</u>	<u>150,942</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Bank loans and overdrafts	-	4,574
Finance lease (see note 19)	6,462	6,462
Trade creditors	52,978	122,881
Social security and other taxes	20,794	15,806
VAT	3,932	14,622
Other creditors	11,768	10,400
Deferred income	52,711	103,053
Accrued expenses	<u>57,827</u>	<u>62,055</u>
	<u>206,472</u>	<u>339,853</u>

The bank overdraft in the 2019 year was represented by a bank balance of £1,000 and outstanding transactions of £5,574. These amounts combined show an overdrawn bank balance for the year ended 31 March 2019.

Deferred income

	31.3.20
	£
At 1 April 2019	103,053
Deferred during the period	52,711
Amounts released to income from prior periods	<u>(103,053)</u>
At 31 March 2020	<u>52,711</u>

Income has been deferred where the charity obtains money in advance of service delivery in relation to events.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.20	31.3.19
	£	£
Finance lease (see note 19)	<u>9,114</u>	<u>15,596</u>

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

18. LOANS

An analysis of the maturity of loans is given below:

	31.3.20	31.3.19
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	-	4,574

19. LEASING AGREEMENTS

	Finance leases	
	31.3.20	31.3.19
	£	£
Net obligations repayable:		
Within one year	6,462	6,462
Between one and five years	9,114	15,596
	<u>15,576</u>	<u>22,058</u>

20. OPERATING LEASE COMMITMENTS

Operating lease payments fall due for payment in the following periods:

	31.3.20	31.3.19
	£	£
Amounts payable:		
Within one year	14,878	14,878
Between one and five years	14,231	29,109
	<u>29,109</u>	<u>43,987</u>

21. PENSION COMMITMENTS

The charitable company operates a pension scheme providing benefits based on final pensionable pay. Contributions to the defined benefit scheme are charged to the Statement of Financial Activities in order to allocate the cost of providing the pension recognising any actuarial surplus or deficit (where appropriate), over the working lives of the relevant employees as assessed in accordance with the advice of professional qualified actuaries. The assets of the scheme are held separately in an independently administered fund.

The charitable company operates a defined benefit pension scheme, which is funded. The pension scheme is administered by The Kent County Council.

The pension costs and provision for the year ended 31 March 2020 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 31 March 2016.

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

21. PENSION COMMITMENTS - continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
Present value of funded obligations	(3,714,000)	(4,131,000)
Fair value of plan assets	<u>2,383,000</u>	<u>2,520,000</u>
	(1,331,000)	(1,611,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(1,331,000)</u>	<u>(1,611,000)</u>
Net liability	<u>(1,331,000)</u>	<u>(1,611,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
Service costs	142,000	108,000
Net Interest cost	39,000	41,000
Administration expenses	<u>1,000</u>	<u>1,000</u>
	<u>182,000</u>	<u>150,000</u>
Actual return on plan assets	<u>53,000</u>	<u>52,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
Opening defined benefit obligation	(4,131,000)	(3,877,000)
Current service cost	(107,000)	(108,000)
Past service cost	(35,000)	-
Contributions by scheme participants	(19,000)	(20,000)
Interest cost	(101,000)	(101,000)
Change in financial assumptions	680,000	(50,000)
Experience loss	(17,000)	-
Benefits paid	<u>16,000</u>	<u>25,000</u>
	<u>(3,714,000)</u>	<u>(4,131,000)</u>

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

21. PENSION COMMITMENTS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
Opening fair value of scheme assets	2,520,000	2,290,000
Interest on assets	62,000	60,000
Return on assets less interest	(252,000)	120,000
Other actuarial losses	(3,000)	-
Administration expenses	(1,000)	(1,000)
Contributions by employer	54,000	56,000
Contributions by scheme participants	19,000	20,000
Benefits paid	(16,000)	(25,000)
	<u>2,383,000</u>	<u>2,520,000</u>

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
Re-measurements (losses) / gains	(408,000)	(70,000)
	<u>(408,000)</u>	<u>(70,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.20	31.3.19
	£	£
Equities	1,466,000	1,728,000
Gilts	19,000	17,000
Bonds	311,000	229,000
Property	324,000	303,000
Cash	62,000	44,000
Target Return Portfolio	201,000	199,000
	<u>2,383,000</u>	<u>2,520,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.3.20	31.3.19
RPI increases	2.15%	3.35%
CPI increases	1.85%	2.35%
Discount rate	2.40%	2.45%
Future salary increases	2.85%	3.85%
Future pension increases	1.85%	2.35%

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

21. PENSION COMMITMENTS - continued

Amounts for the current and previous four periods are as follows:

	31.3.20	31.3.19	31.3.18	31.3.17	31.3.16
Defined benefit pension plans					
Defined benefit obligation	(3,714,000)	(4,131,000)	(3,877,000)	(3,913,000)	(2,469,000)
Fair value of scheme assets	2,383,000	2,520,000	2,290,000	2,132,000	1,690,000
Deficit	(1,331,000)	(1,611,000)	(1,587,000)	(1,781,000)	(779,000)
Experience adjustments on scheme liabilities	-	-	-	(31,000)	-
Experience adjustments on scheme assets	-	-	-	-	-

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£ +0.1%	£ 0.0%	£ 0.1%
Adjustment to discount rate			
Present value of total obligation	3,608,000	3,714,000	3,823,000
Projected service cost	90,000	93,000	96,000
Adjustment to long term salary increase			
Present value of total obligation	3,725,000	3,714,000	3,703,000
Projected service cost	93,000	93,000	93,000
Adjustment to pension increases and deferred revaluation			
Present value of total obligation	3,812,000	3,714,000	3,619,000
Projected service cost	96,000	93,000	90,000
Adjustment to mortality age rating assumption			
Present value of total obligation	3,828,000	3,714,000	3,603,000
Projected service cost	96,000	93,000	90,000

The estimated rate of employer contributions for the year ending 31 March 2021 is 20% (2020: 19.0%).

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

22. MOVEMENT IN FUNDS

	At 1.4.19 £	Movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General reserves	725,657	94,547	-	820,204
Designated reserves	-	-	-	-
Pension reserve	<u>(1,611,000)</u>	<u>280,000</u>	<u>-</u>	<u>(1,331,000)</u>
Total Unrestricted Funds	<u>(885,343)</u>	<u>374,547</u>	<u>-</u>	<u>(510,796)</u>
Restricted funds				
North School Funding	7,589	(4,574)	-	3,015
The Heart Group	<u>2,381</u>	<u>(475)</u>	<u>-</u>	<u>1,906</u>
Total Restricted Funds	<u>9,970</u>	<u>(5,049)</u>	<u>-</u>	<u>4,921</u>
TOTAL FUNDS	<u>(875,373)</u>	<u>369,498</u>	<u>-</u>	<u>(505,875)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains losses and transfers £	Net movement in funds £
Unrestricted funds				
General reserves	2,849,623	(2,755,076)	-	94,547
Designated reserves	-	-	-	-
Pension reserve	<u>-</u>	<u>(128,000)</u>	<u>408,000</u>	<u>280,000</u>
Total Unrestricted Funds	<u>2,849,623</u>	<u>(2,883,076)</u>	<u>408,000</u>	<u>374,547</u>
Restricted funds				
North School funding of Ashford School Games	35,187	(39,761)	-	(4,574)
The Heart Group	-	(475)	-	(475)
Ashford & District Heart Funding	<u>510</u>	<u>(510)</u>	<u>-</u>	<u>-</u>
Total Restricted Funds	<u>35,697</u>	<u>(40,746)</u>	<u>-</u>	<u>(5,049)</u>
TOTAL MOVEMENT IN FUNDS	<u>2,885,320</u>	<u>(2,923,822)</u>	<u>408,000</u>	<u>369,498</u>

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

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.18 £	Movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General reserves	682,861	(7,204)	50,000	725,657
Designated reserves	50,000	-	(50,000)	-
Pension reserve	<u>(1,587,000)</u>	<u>(24,000)</u>	<u>-</u>	<u>(1,611,000)</u>
Total Unrestricted Funds	<u>(854,139)</u>	<u>(31,204)</u>	<u>-</u>	<u>(885,343)</u>
Restricted funds				
North School Funding	-	7,589	-	7,589
The Heart Group	<u>-</u>	<u>2,381</u>	<u>-</u>	<u>2,381</u>
Total Restricted Funds	<u>-</u>	<u>9,970</u>	<u>-</u>	<u>9,970</u>
TOTAL FUNDS	<u>(854,139)</u>	<u>(21,234)</u>	<u>-</u>	<u>(875,373)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains losses and transfers £	Net movement in funds £
Unrestricted funds				
General reserves	2,744,791	(2,751,995)	-	(7,204)
Designated reserves	-	-	-	-
Pension reserve	<u>-</u>	<u>(94,000)</u>	<u>70,000</u>	<u>(24,000)</u>
Total Unrestricted Funds	<u>2,744,791</u>	<u>(2,845,995)</u>	<u>70,000</u>	<u>(31,204)</u>
Restricted funds				
North School Funding	8,424	(835)	-	7,589
The Heart Group	<u>2,500</u>	<u>(119)</u>	<u>-</u>	<u>2,381</u>
Total Restricted Funds	<u>10,924</u>	<u>(954)</u>	<u>-</u>	<u>9,970</u>
TOTAL MOVEMENT IN FUNDS	<u>2,755,715</u>	<u>(2,846,949)</u>	<u>70,000</u>	<u>(21,234)</u>

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

22. MOVEMENT IN FUNDS - continued

North School Funding

During a previous year Ashford Leisure Trust was granted £15,000 in respect of the Ashford School Games Project. An amount of £4,574 remains unspent at the year end.

The Heart Group

During the previous year The Heart Group donated £2,500 for the purchase of two cardio bikes. These have been capitalised and are being depreciated in accordance with the accounting policy.

Ashford & District Heart Funding

During the year Ashford & District Heart Funding granted £510 for cardio activities. This was all spent in the year.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.20 Total funds £
Fixed assets	89,695	-	89,695
Current assets	946,095	4,921	951,016
Current liabilities	(206,472)	-	(206,472)
Long term liabilities	(9,114)	-	(9,114)
Pension liability	(1,331,000)	-	(1,331,000)
	<u>(510,796)</u>	<u>4,921</u>	<u>(505,875)</u>

Comparative analysis of net assets between funds are as follows:

	Unrestricted funds £	Restricted funds £	31.3.19 Total funds £
Fixed assets	96,677	2,375	99,052
Current assets	984,429	7,595	992,024
Current liabilities	(339,853)	-	(339,853)
Long term liabilities	(15,596)	-	(15,596)
Pension liability	(1,611,000)	-	(1,611,000)
	<u>(885,343)</u>	<u>9,970</u>	<u>(875,373)</u>

24. POST BALANCE SHEET EVENTS

On 1 September 2020 the contract transferred to Wealden Leisure Limited t/a Freedom Leisure. Ashford Borough Council will be responsible for any deficit arising on the Local Government Pension scheme and fixed assets will be transferred to the new operator for an agreed settlement fee. The Trustees intend to distribute the funds of the charitable company over time to organisations with like objects which are in the furtherance of its charitable objects.