

REGISTERED COMPANY NUMBER 05046511

REGISTERED CHARITY NUMBER 1104395



Brentwood Leisure Trust

BRENTWOOD LEISURE TRUST
(A company limited by guarantee)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 MARCH 2016

CHARITY COMMISSION
FIRST CONTACT

26 SEP 2016

ACCOUNTS
RECEIVED

scruttonbland 

BRENTWOOD LEISURE TRUST

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BRENTWOOD LEISURE TRUST

OFFICERS AND PROFESSIONAL ADVISERS

Trustees

P M Cadman (Chairman)
J W Kerslake
Mrs H M Leathley
M P Reed
L Rowlands (appointed 21 July 2015)
D Johnston (appointed 21 July 2015)
Mrs O Sanders (appointed 21 July 2015)

Chief Executive Officer

R Davinson

Registered Office

Brentwood Centre
Doddinghurst Road
Brentwood
Essex
CM15 9NN

Registered Charity Number Registered Company Number

1104395
05046511

Website address

brentwood-centre.co.uk

Auditor

Scrutton Bland
Chartered Accountants
and Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
CO4 9YQ

Bankers

Natwest Bank Plc
46 High Street
Brentwood
Essex
CM14 4AN

Solicitors

Wortley Byers
Cathedral Place
Brentwood
Essex
CM14 4ES

BRENTWOOD LEISURE TRUST

TRUSTEES' ANNUAL REPORT

The Trustees present their report and the audited financial statements for the year ended 31 March 2016.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with the current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Objectives and Activities

The objectives of Brentwood Leisure Trust are set out in its Memorandum of Association and are as follows:

To provide or assist in the provision of facilities and services primarily for the benefit for the community of and visitors to the Borough of Brentwood and any surrounding areas:

- To provide recreational, sporting or other leisure time occupation in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be;
- To provide for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services;
- To promote and preserve good health and well being through community participation in healthy recreation; and
- To fulfil such other charitable purposes beneficial to the community consistent with the objects above as the Trustees shall in their absolute discretion determine.

The Trust management has outlined the agreed vision, mission and values that are detailed below:

Vision

Our vision is to be the best leisure team by:

- Being the Best by Beating the Rest.

Mission

Brentwood Leisure Trust will provide the widest range of affordable sport, leisure and entertainment for the community.

Values

- Professional Honest People Focused
- Accountable Safe Innovative
- Welcoming Enthusiastic Fun

BRENTWOOD LEISURE TRUST

TRUSTEES' ANNUAL REPORT

Achievements and Key Performance Indicators

We continue to monitor visitor numbers on a monthly basis.

Membership retention - the ongoing financial performance is underpinned by the success of the membership drive in providing committed membership (dd and annual) to mitigate against weather, trends and competition. We have seen a rise from under 500 in 2010 to over 2,300 in 2016).

Inclusive pledge and our aim to be fully inclusive – this may not sound a lot, but no one else is doing it or close to achieving it.

Fitness in Mind – grow the programme to offer inclusive and exclusive activities to ensure delivery of a Borough wide well-being programme.

Margins – Food and Beverage, Events, Swim Scheme, Payroll to sales.

Strategic Alliances

To work with a variety of organisations and agencies to develop Brentwood Leisure Trust and improve opportunities for the local community.

Organisations the Trust has been in partnership with throughout the year include:

Brentwood Borough Council	Sport England
Essex County Council	Active Essex
Active Brentwood	Fitness in Mind
PCC	CCG
NHS	ECDP
Essex Mental Health Community	Sported
Inspired Exchange	Sport England
Big Lottery	Brentwood Town Football Club
Brentwood Community Policing Unit	Brentwood Community Transport
Heart FM	Phoenix FM
SNAP	Aquacesse
Brentwood Barbell Club	Thrift Green Trotters

Programming

To provide a balanced programme that meets the needs of the local community and focuses on national priorities.

Inclusive programme

The Centre has committed to be fully inclusive to all and developed its own charter.

The work done was recognised by Active Essex with the programme winning their Services to Disability Sports Award 2015.

BRENTWOOD LEISURE TRUST

TRUSTEES' ANNUAL REPORT

Inclusive Pledge

Brentwood Leisure Trust resolves:

To develop, sign and promote the Brentwood Leisure Trust Inclusive Challenge for the Sport & Leisure Industry.

We commit to:

1. Appoint an elected board member as 'inclusive champion' across the organisation.
2. Identify a 'lead officer' for inclusion to link in with colleagues across the organisation.
3. Develop and follow an implementation framework for equality, diversity and inclusion, that is relevant to the organisation's work and local needs.
4. Work to reduce inequalities in the sport and leisure industry.
5. Work with local, regional and national partners to contribute to better support for people from marginalised groups.
6. Promote social inclusion in our diverse community and support action to promote stronger social cohesion.
7. Tackle discrimination on the grounds of the Equality Act 2010.
8. Encourage positive equality, diversity and inclusion in volunteers, employees, suppliers, partners, clients, stakeholders, and our local community.
9. Proactively engage and listen to people from marginalised groups about what they need for better inclusion.
10. Sign up to relevant campaigns, charters and pledges for Equality, Diversity and Inclusion.

So what is inclusion? Inclusion is about fairness, equality of access, recognising discrimination and inequalities and taking steps to address them. It is about changing attitudes and behaviours to ensure equal access to all members of society, whatever their age, ability, gender, race, ethnicity, sexuality, religion, beliefs or social or economic status.

BRENTWOOD LEISURE TRUST

TRUSTEES' ANNUAL REPORT

Membership

Fitness membership has continued to expand at The Brentwood Centre with value for money being cited as one of the key reasons for people joining over our competitors.

The focus has continued on developing the committed membership and an increase in both annual and DD memberships can be reported.

An additional 242 annual memberships have contributed to the rise in deferred income into the next financial year.

In total 1,331 new memberships were sold during the year with 1,106 leavers leaving a net gain of 225. Retention for the year was 63%.

In partnership with FIM, Active Brentwood, BBC and the CCG the Trust plays a key role in the promotion of healthy and active lifestyles. The cardio rehab programme has further grown with all sessions increasing in numbers.

Aerobics studio – offering an average of 47 classes per week all year round with a mixed programme of high and low impact classes with an average of 15 per class.

Spin studio – has seen an expansion in the year from 13 to 25 bikes with an average of 20 classes per week.

Power plate studio – 4 plates to offer a little extra to the fitness membership.

MMA centre – has attracted a number of new users to the Centre and includes judo, karate and wrestling.

Holistic Hub – specialising in yoga and Pilates. It has also become a hub for the FIM project.

Bar Bell Club – a partnership with the Metropolitan Police and part 2012 legacy project to develop strength training and conditioning in its own unique environment.

The Rise Of Barbell Girls 2015/2016

The year was a period of sustained growth for Barbell Girls Club with over 100 participants currently.

The first beginners' course ran in April 2015 with 10 ladies attending funded by Active Essex.

December 2015 was the highlight of the year with recognition from Active Essex in the form of the Physical Activity Project of the Year Award. Closely following this was a grant award of £10k by Sport England to enable the continuation and expansion of our work.

Medal success for our squad ladies includes silver at the WDFPA World Championships in October and Gold and Silver at the BDFPA European Championships. This has led to sessions attracting professional and amateur athletes from other sports including national road racing champion Nikki Juniper.

As part of our ongoing efforts to be an inclusive and accessible club the first beginners' course aimed at ladies 55 was run in February of 2016.

BRENTWOOD LEISURE TRUST

TRUSTEES' ANNUAL REPORT

The Rise Of Barbell Girls 2015/2016 – (continued)

The biggest achievement has been the change in perceptions and the community with many ladies meeting to train outside of session times with confidence.

Strong partnerships have developed with Fitness in Mind and Active Essex with the first strength and conditioning course with Fitness in Mind, in keeping with our inclusive aim, and with Active Essex to become Club Mark accredited.

Wetside

Brentwood Aqua Centre Swim Scheme

This is an internally run programme of swimming lessons offering Parent & Child, Pre-School, Junior and Adult classes. Classes are run over three terms each year which coincide with the Essex County Council school terms. The Centre employs 12 swimming teachers to deliver these lessons. Additional five day learn to swim crash courses were offered during school holiday periods.

2,145 pupils were enrolled on swimming lessons between 1/04/15 – 31/03/16.

Private Swimming Lessons

Private lessons are available to customers on a one to one basis.

School Swimming Lesson Programme

Eleven local Primary schools hire the Brentwood Centre for their weekly swimming lessons during term time. These are offered during the morning when the pool is closed to the public.

In total we now have 600+ children each term enrolled on the school programme. Whilst this represents one less school attending there has been an uplift in numbers due to the spare space being taken over by a more progressive school increasing the number of its sessions.

Brentwood Swimming Club

Brentwood Swimming Club is a partner of Brentwood Aqua Centre.

The club holds 36 hours of competitive training sessions per week in the pools and currently has 124 active members

During the year it achieved Swim 21 accreditation in the last quarter of 2015 and Disability Hub Club status which fits in with the Centre aims on inclusivity.

It also represents the Centre at a number of County and National Galas with some success:

Galas and Summary results:

- Mini League for the Junior Swimmers currently 5th out of 17 teams.
- Open meets for the older swimmers, circa 15 over the course of the year with a mixture of level 1, 2 and 3 in 25m and 50m pools.

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Brentwood Swimming Club – (continued)

An example is the Harlow Open meet where we achieved 20 gold, 7 silver and 10 bronze.

- Essex County results:

17 swimmers qualified, 28 finals, 2 silver, 1 bronze.

- East Regional results:

6 swimmers qualified, 4 finals, 2 silver.

Masters Results:

- Essex County results:

9 gold, 8 silver 2 bronze.

- British Long Course Championships:

2 silver, 1 bronze.

- European Long Course Championships:

7 swimmers, best placings 5th and 8th.

Brentwood Selo Club

A not-for-profit branch of BSAC (British Sub-Aqua Club) serving the Essex area from the Brentwood Leisure Centre.

Established for over 50 years they run Scuba Diving training courses at all levels from Ocean Diver to Advanced Diver, also Instructor Training and many other Skill Development Courses such as First Aid for Divers, Wreck Appreciation, Practical Rescue Management, Oxygen Administration, AED, and Boat Handling, using their own Rigid Inflatable Boat.

The Centre is the Regional Training Centre for BSAC and also works with Sea Search helping to collect data from around the UK coast which is used to support applications for Marine Conservation Zones.

Currently 16 of their members are under 18 years of age using the club to help them succeed in Duke of Edinburgh Bronze Award and as part of their GCSE Physical Education Examination.

The club is actively seeking Disabled members and have a suitably qualified instructor in the club. Young members benefit from not only the discipline and challenge of scuba but from the necessary interaction with adult Instructors and members, the theory lessons incorporate Physics, Mathematics, Biology, Marine Biology, presented in an enjoyable and practical way. The practical lessons move from the pool to culminate in five open water dives in the sea with their parent either participating or present.

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Sports Hall

Offers a mix of casual, clubs and courses as well as holding major events.

Gym Rox - specialising in activities for under 5s runs 8 sessions per week in the daytime attracting up to 100 young children per session.

Mega Camps - working in partnership they deliver holiday camps to age group 5-16 offering multi sports and arts activity.

Badminton – as well as our own club we host external events for all standards.

Football – after badminton the most popular activity with a number of external clubs using the facilities on a regular basis indoors.

Hockey – a regular winter league is operated.

Cricket – indoor nets with local County Team Essex in addition to over 50s and local club use.

Archery – indoors using the cricket nets for safety.

Gymnastics – after school classes. We are also hosts of the London Festival of Gymnastics which is now in its 11th year at the Centre.

Short Mat Bowls – attracting a more mature crowd in the afternoon.

Basketball – as well as casual sessions we host the Essex Leopards for the majority of their home games who were crowned EBL Champions in 2015.

The Trading Company ran 67 events out of the hall during the year over the weekends including:

- 7 Antique Fairs (2 day event).
- 7 Toy Fairs (1 day event).
- 2 Craft Fairs (2 day event).
- 2 Wedding Shows (2 day event).
- Carp Spectacular (2 day event).
- 2 Ballroom dancing (2 day event).
- London Festival of Gymnastics (3 day event).
- 9 Home games (Essex Leopards).
- Cage Fighting (1 day event).
- Boxing (1 day event).
- 2 Hutton and Shenfield Operatic Society (1 day event).
- Essex Flower Show (3 day event).
- Country Life Show (2 day event).
- Brentwood Music Festival (3 day event).

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Outdoor activities

Football Centre – offering two five a side pitches for hire.

Beach Volleyball Centre – a legacy project from 2012 which attracts several clubs from around Essex for a mix of fun and competitive play.

Thrift Green Trotters – with a membership in excess of 300 they meet every Wednesday and Sunday for regular runs around the Borough. They are also strongly represented in marathons and fun runs countrywide flying the flag for Brentwood.

Community Halls

Operating throughout the Borough we offer different venues for a variety of activities.

Hutton Poplars Hall – a full time Montessori in the day time and a dance school in the evening. At weekends it transforms into a wedding party venue.

Hutton Poplars Lodge – a small hall for groups up to 30 and children's parties. We also have a partnership with Hutton Bowls Club who share the venue.

Bishops Hall – a full time nursery operates by day and a multi purpose venue which hosts activities for all age groups.

Merrymeade House – a venue that offers peace and tranquillity in the middle of Brentwood. A partnership with the local Buddhist Group who operate a Temple and coffee shop, it also houses a physiotherapist, psychotherapist and nutritionist. Rooms holding up to 60 people are available for hire.

Nightingale Centre – a mix use venue which we share with SNAP (Special Needs and Parents).

Willowbrook School Community Centre – a partnership with the school which runs a full time nursery and hosts groups and children's parties at other times.

On average we have 75 different groups per week using these facilities.

Fitness in Mind

The vision is to promote a programme committed to improving mental and physical wellbeing using physical activity and peer support to promote a healthier community with stronger social cohesion.

The concept is based around implementing mental health recovery and sustainability through organisational change, peer support and changes in personal attitude by increasing awareness around the importance of mental well being in sport and leisure.

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Fitness in Mind – (continued)

What we do is to:

- Provide sustainable exercise programmes to improve mental and physical health and wellbeing.
- Support mental health recovery through stronger social cohesion.
- Encourage participants to support each other and to enlarge the peer support network.
- Create opportunities that change lives by removing psychological barriers in daily activities.
- Promote cooperation and co-production with national, regional and local partners.
- Build stronger evidence linking physical activity, peer support and mental health.

The programme has subsequently expanded into other areas including dementia and to support the BLT inclusive programme.

Other media outlets with Phoenix FM, local and national newspapers have ensured the programme continues to get support from a variety of funders.

Sports and activities in the programme include aerobics, football, netball, yoga, walking, running, boxing and MMA.

A successful funding application for the Inclusive programme saw the introduction of a wheelchair programme during the year.

Marketing

The Trust has invested time and resource into ensuring strong brand values are recognised and to communicate effectively with users.

A magazine with a print run of 10,000 is produced 3 times a year with 32 pages to ensure a timely flow of information of what is happening within the Trust. This has been established for 7 years and with advertising from partners its production costs are now fully funded

A monthly e-zine now goes to over 8,500 users on the 1st of each month.

The website has been further developed with other social media to enhance our ability to communicate information quickly and effectively combined with a feedback mechanism to the Trust.

Online booking has been introduced during the year for all sports and studio activities within the Brentwood Centre. This has resulted in an uplift in studio users and a more streamlined booking process.

The Trust attracts considerable news interest and has featured in several positive stories over the year.

On the sports pages we were represented by Essex Leopards Basketball, Brentwood Barbell Club, Beach Volleyball, Brentwood Elvers and Thrift Green Trotters running club.

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Marketing – (continued)

Phoenix FM broadcast from the centre 7 days a week and through this we have become a focal point for the local music scene in addition to its strong links with the local community. Phoenix has their own weekly page in several publications which promotes themselves and the Brentwood Centre. During the year they had over 1,100 guests talking about all aspects of life in the community.

Heart FM broadcasting throughout Essex have 2 major events at the Centre attracting considerable attention.

The Only Way is Essex regularly films in the gym and swimming pool, making the venue a tourist attraction for TOWIE fans.

Information Technology

To utilise information technology to aid support services and improve customer interaction. A significant upgrade of the Trust IT provision was undertaken during the year to offer improved systems and in a partnership with Urban Network the Brentwood Centre now is fully covered with wi fi.

Human Resources

To develop an experienced and qualified workforce that is prepared for the leisure industry.

We continue to have alliances with many training organisations to ensure a commitment to ongoing management, staff training and development which guaranteed each team member a minimum of 6 days' training per annum in addition to the statutory training needs in health and safety and first aid.

The Trust employment consultants Lloyds Employment Law continue to offer support and advice on all areas of HR and HR law together with the support of the HR sub committee with Trustees.

Technical Operations

To comply with the requirements of health and safety.

To have regard for community safety as an operational issue to guard against crime.

To have regard for sustainability issues in relation to energy consumption.

The Brentwood Centre achieved a mark of B in its energy certificate and continues to lead the way in energy and green issues through its strategic partnership working with Energy Centric.

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Financial review

The Trust incurred a consolidated deficit of £23,183 before accounting for the movements in its defined benefit pension scheme. The net effect of these pension adjustments for the year is a £194,000 reduction in the pension liability. The combined effect of this is a net surplus for the year of £170,817 and results in the cumulative balance on unrestricted funds being a negative figure of £871,074 at 31 March 2016.

The Trust had net liabilities of £583,271 at 31 March 2016. This includes the defined benefit pension liability of £540,000 and means that the net liability position excluding the pension liability was £43,271. The size of the retained deficit is a legacy of the early years' activity of the Centre and trading subsidiary. The management and Trustees have been working hard to try and reduce this year on year.

The Trust's results are also set against a backdrop of reduced revenue funding: over the last five years the Trust has seen the funding it receives from Brentwood Borough Council reduce by £50,000 per annum to £nil in the previous and current financial years.

The Trust revenue growth is underpinned by an improvement in membership revenues which show year on year growth of 9% (£53k).

Health and Fitness grew by over 13% due to the introduction of additional franchises in hair, beauty and chiropody during the year.

Because we have more committed members this does have an impact on casual revenues which is seen clearly in the swimming revenues. Actual user numbers of the swimming pool show an increase of 1% which bucks the national trend in swimming which reported a 3% decline in user numbers over the year.

The Community Halls saw a reduction of £32k in its payroll subsidy during the year from BBC. Like for like sales saw an increase of 7% (£31k).

The expenditure controls are underpinned by a significant reduction in utilities. Gas consumption reduced by 11% (£10k) as a result of a combination of a mild winter linked with investment in new boilers. Electricity consumption reduced by 3.5% (£4k) which is a result of the ongoing investment to LED lighting.

The Trading subsidiary company has seen a small reduction in revenues during the year, although improved cost controls have mitigated this. Profit before taxation reduced from £39,079 in the previous year to £31,514 in the current year. There were extraordinary costs of £31,000 for equipment hire included in this number, which with these excluded, shows like for like improvement of £23,435.

Future Plans

Funding of £75k has been secured from Sport England and will see a significant investment in the wet side changing rooms with the project due to start in summer 2016.

Funding of £380k secured during the current year has ensured the FIM project will be sustainable for the period April 2016 to March 2019 with the programme due to start fully in the summer of 2016.

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Reserves Policy

The Trust has negative unrestricted reserves, which largely arise from the Trust's defined benefit pension scheme liability. The Trust recognises that it is likely to remain reliant upon external support. The Trustees and management team are aware that they need to seek out innovative methods of increasing revenue and to make continual improvements to facilities and services. Central to this has been its commitment to its inclusive project which with FIM is resulting in significant funding opportunities. This will increase programme usage which will increase venue hire revenues and capital projects.

Further details are noted elsewhere within this report and within the financial statements.

Investment Policy and Performance

The Trust holds no investments other than its cash deposits. It seeks to make best use of resources and aims to gain the most favourable terms with its bankers.

Structure, Governance and Management

Brentwood Leisure Trust is a registered charity and company limited by guarantee. It is a community organisation and works in partnership with Brentwood Borough Council and other organisations to provide leisure opportunities.

A Board of Trustees are responsible for Brentwood Leisure Trust. Two representatives from Brentwood Borough Council are included on the Board.

The Board of Trustees is drawn from the local community and Trustees are recruited on the basis of the skills they have acquired and those required to govern the Trust effectively.

The Board of Trustees has the power to nominate, appoint, re-appoint, elect, re-elect, approve and dismiss Trustees.

The Board can appoint any person willing to be a Trustee in seeking to provide a broad range of skills on the board. In considering appointing a new Trustee the board considers the skills, qualities and experience which it needs from its Trustees.

Where there is a requirement for new Trustees, these would be identified and appointed by the remaining trustees. The Chair of Trustees and CEO are responsible for induction which would involve an awareness of responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity. A new Trustee would receive copies of the previous year's annual report and accounts, selection of marketing materials and magazine together with a copy of the Charity Commission leaflet 'The Essential Trustee: What You Need to Know'.

The Trustees seek to ensure that the board is representative of those with an interest in the services and facilities offered by Brentwood Leisure Trust and also comprises persons with a broad range of skills and who are likely to contribute to the organisation's success.

The Trust has 6 sub committees:

Finance
Sports facilitation
Marketing

Human resources, pensions and remuneration
Asset management
Equality, Diversion and Inclusivity

BRENTWOOD LEISURE TRUST

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Structure, Governance and Management – (continued)

At each Annual General Meeting one third (or the number nearest to one third) of the Trustees must retire, those longest in office retiring first. A Trustee may be reappointed if a vacancy is not filled.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees have no beneficial interest in the charity.

The Trustees delegate the day to day running of the Trust to the senior management team. This team is headed by Roger Davinson, the Chief Executive Officer, who is supported by Philip Thomas, Nicola Smith and Julie Long. The remuneration of the team is commensurate with the individuals' skills and experience and is periodically benchmarked against underlying trends in the market.

Brentwood Leisure Trust has a wholly controlled subsidiary company known as Brentwood Leisure Trading Limited. Brentwood Leisure Trading Limited operates the management and promotion of special events, bar and catering operation and oversees the management agreement with Brentwood Borough Council for the community halls within the Borough.

As a non-profit distributing authority the Trust does not pay dividends as all surpluses are invested to pursue its charitable objectives. A Trustees' Indemnity insurance policy was in place during the year, the cost of which was £431.

Business Development

- To ensure that the charity is financially stable year on year.
- To enhance and improve the facilities and services available to customers.
- To ensure that the organisation embraces quality initiatives to enable working towards a culture of continuous improvement.

Public Benefit

The Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. The activities noted in this report are provided for charitable purposes for public benefit.

Risk

The Trustees regularly discuss risk and keep a focus on those that are of most concern to the operations of the Trust. Practical steps are taken to mitigate risk as far as possible. In view of the amounts owed to Brentwood Borough Council, together with the significant liability that arises in respect of the Trust's defined benefit pension scheme, the Trustees recognise that the Trust is reliant on the ongoing support of the Council. The Trustees consider that the Trust is correctly treated as a going concern due to the reasons noted within note 1 to these financial statements. The Trust is also reliant on the ongoing support of the Council, as landlord, and their ability to pay for the repairs required under the terms of the lease.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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Statement of Trustees' responsibilities

The Trustees, who are also Directors of Brentwood Leisure Trust for the purposes of company law, are responsible for preparing the Trustees' Report and 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 these financial statements, the trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * observe the methods and principles in the Charities SORP;
- * make judgments and estimates that are reasonable and prudent;
- * state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in existence.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2011. 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.

The Trustees confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.


Auditor

A resolution to re-appoint Scrutton Bland as auditor of the Trust will be put to the Trustees.

Signed for and on behalf of the Trustees

J W Kerslake
Trustee

Approved by the Trustees on


20/9/16

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BRENTWOOD LEISURE TRUST

We have audited the group and parent company financial statements for the year ended 31 March 2016 on pages 18 to 42. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2016 and of the group's 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 and the Charities Act 2011.
-

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BRENTWOOD LEISURE TRUST

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of disclosure in note 1 to the financial statements concerning the group's ability to continue as a going concern. The conditions explained in note 1 indicate the existence of a material uncertainty, which might cast doubt over the ability to continue as a going concern. The financial statements do not include any adjustments that would result if it was unable to continue as a going concern.

Matters on which we are required to report by exception

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 company or returns adequate for our audit have not been received from branches not yet visited by us; or
- the parent company's 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in exemption from the requirement to prepare a strategic report or preparing the Trustees' Annual Report.



SCRUTTON BLAND
Chartered Accountants and Statutory Auditor

Senior Statutory Auditor: Timothy O'Connor

820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 22/9/16

BRENTWOOD LEISURE TRUST

GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING GROUP INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Restated Total Funds 2015 £
Income from:					
Donations and legacies	2	-	36,099	36,099	24,315
Charitable activities:					
Operation of Leisure Centre	3	1,783,967	-	1,783,967	1,728,228
Other trading activities:					
Income generated from trading subsidiary		443,552	-	443,552	446,126
Investments	4	21	-	21	-
Total income		2,227,540	36,099	2,263,639	2,198,669
Expenditure on:					
Raising funds:					
Expenditure on trading subsidiary		344,680	-	344,680	323,278
Tax charge of the trading subsidiary		9,858	-	9,858	9,769
Charitable activities:					
Membership		247,743	854	248,597	233,899
Health and fitness		307,239	32,729	339,968	327,058
Swimming		888,538	3,417	891,955	895,543
Community halls		284,590	-	284,590	297,371
Other activities		109,409	57,765	167,174	168,244
FRS 102 movements:					
Staff costs	19(h)	2,000	-	2,000	(15,000)
Interest costs	19(h)	25,000	-	25,000	21,000
Total expenditure		2,219,057	94,765	2,313,822	2,261,162
Net income/(expenditure) carried forward		8,483	(58,666)	(50,183)	(62,493)

BRENTWOOD LEISURE TRUST

GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING GROUP INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Restated Total Funds 2015 £
Net income/(expenditure) brought forward		8,483	(58,666)	(50,183)	(62,493)
Actuarial gains/(losses) on defined benefit pension scheme	19(d)	221,000	-	221,000	(248,000)
Net movement in funds		229,483	(58,666)	170,817	(310,493)
Reconciliation of funds					
Total funds brought forward		(1,100,557)	219,942	(880,615)	(570,122)
Total funds carried forward		£ (871,074)	£ 161,276	£ (709,798)	£ (880,615)

None of the group's activities were acquired or discontinued during the above two financial years.

The statement of financial activities includes all gains and losses recognised in the year.

The charitable company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Statement of Financial Activities.

BRENTWOOD LEISURE TRUST

GROUP AND TRUST BALANCE SHEETS AS AT 31 MARCH 2016

	Notes	2016		2015	
		Trust £	Group £	Trust £	Group £
Fixed assets					
Tangible assets	8	362,623	572,995	469,717	473,795
Investments	9, 10	1	-	1	-
		<u>362,624</u>	<u>572,995</u>	<u>469,718</u>	<u>473,795</u>
Current assets					
Stocks		-	9,666	-	6,356
Debtors – due within one year	11	123,772	163,909	60,004	101,385
Debtors – due after one year	11	221,992	-	195,371	-
Cash and cash equivalents		23,828	37,968	37,492	48,296
		<u>369,592</u>	<u>211,543</u>	<u>292,867</u>	<u>156,037</u>
Creditors: amounts falling due within one year	12	<u>(391,097)</u>	<u>(451,578)</u>	<u>(332,548)</u>	<u>(357,837)</u>
Net current liabilities		<u>(21,505)</u>	<u>(240,035)</u>	<u>(39,681)</u>	<u>(201,800)</u>
Total assets less current liabilities		341,119	332,960	430,037	271,995
Creditors: amounts falling due after more than one year	13	<u>(384,390)</u>	<u>(502,758)</u>	<u>(418,610)</u>	<u>(418,610)</u>
Net (liabilities)/assets excluding pension liability		<u>(43,271)</u>	<u>(169,798)</u>	<u>11,427</u>	<u>(146,615)</u>
Defined benefit pension liability	19	<u>(540,000)</u>	<u>(540,000)</u>	<u>(734,000)</u>	<u>(734,000)</u>
Net liabilities	15	<u>£ (583,271)</u>	<u>£ (709,798)</u>	<u>£ (722,573)</u>	<u>£ (880,615)</u>
Income funds					
Restricted funds	14	161,276	161,276	219,942	219,942
Unrestricted funds		(744,547)	(744,547)	(942,515)	(942,515)
Funds retained within a non-charitable subsidiary		-	(126,527)	-	(158,042)
		<u>£ (583,271)</u>	<u>£ (709,798)</u>	<u>£ (722,573)</u>	<u>£ (880,615)</u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

Approved by the Board of Trustees on 29/1/16 and signed on its behalf by:

J W Kerslake - Trustee

P M Cadman - Trustee

Company registration number: 05046511
Charity registration number: 1104395

BRENTWOOD LEISURE TRUST

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2016

Group	Unrestricted funds £	Restricted funds £	Total £
At 1 April 2014	(830,016)	259,894	(570,122)
Net income/(expenditure) for the year	(4,541)	(39,952)	(44,493)
Other comprehensive income for the year	(266,000)	-	(266,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	(1,100,557)	219,942	(880,615)
Net income/(expenditure) for the year	8,483	(58,666)	(50,183)
Other comprehensive income for the year	221,000	-	221,000
	<hr/>	<hr/>	<hr/>
At 31 March 2016	<u>£ (871,074)</u>	<u>£ 161,276</u>	<u>£ (709,798)</u>
Trust	Unrestricted funds £	Restricted funds £	Total £
At 1 April 2014	(632,895)	259,894	(373,001)
Net income/(expenditure) for the year	(43,620)	(39,952)	(83,572)
Other comprehensive income for the year	(266,000)	-	(266,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	(942,515)	219,942	(722,573)
Net income/(expenditure) for the year	(23,032)	(58,666)	(81,698)
Other comprehensive income for the year	221,000	-	221,000
	<hr/>	<hr/>	<hr/>
At 31 March 2016	<u>£ (744,547)</u>	<u>£ 161,276</u>	<u>£ (583,271)</u>

BRENTWOOD LEISURE TRUST

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31 MARCH 2016

	Group 2016 £	Group 2015 £	Trust 2016 £	Trust 2015 £
Cash flows from operating activities				
Net movements in funds	170,817	(310,493)	139,302	(349,572)
Depreciation of tangible assets	151,949	152,847	137,816	149,833
Interest income	(21)	(3)	(21)	(3)
Interest costs (FRS 102 pension)	25,000	21,000	25,000	21,000
(Increase)/decrease in stocks	(3,310)	1,005	-	-
(Increase)/decrease in debtors	(62,524)	2,380	(90,389)	65,555
Increase in creditors	295,666	8,125	151,964	19,770
Taxation	9,858	9,769	-	-
FRS 102 defined benefit pension scheme adjustment	(194,000)	254,000	(194,000)	254,000
Net cash generated from operating activities	393,435	138,630	169,672	160,583
Cash flows from investing activities				
Interest income	21	3	21	3
Purchase of tangible fixed assets	(251,149)	(22,082)	(30,722)	(18,067)
Net cash used in investing activities	(251,128)	(22,079)	(30,701)	(18,064)
Cash flows from financing activities				
Repayments to Brentwood Borough Council	(81,956)	(81,956)	(81,956)	(81,956)
Repayment of hire purchase obligations	(45,679)	(45,679)	(45,679)	(45,679)
Interest costs (FRS 102 pension)	(25,000)	(21,000)	(25,000)	(21,000)
Net cash used in financing activities	(152,635)	(148,635)	(152,635)	(148,635)
Decrease in cash and cash equivalents in the year	(10,328)	(32,084)	(13,664)	(6,116)
Cash and cash equivalents brought forward	48,296	80,380	37,492	43,608
Cash and cash equivalents carried forward	£ 37,968	£ 48,296	£ 23,828	£ 37,492

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the 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 2015) and the Charities Act 2011.

The financial statements include the results of the Trust and its wholly owned subsidiary, Brentwood Leisure Trading Limited made up to 31 March 2016. Intra group transactions are eliminated on consolidation.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in pounds sterling.

This is the first year in which the financial statements have been prepared under FRS 102. The date of transition is 1 April 2014. Please refer to note 20 for an explanation of how the transition to FRS 102 has affected the reported financial performance.

Going concern

The financial statements have been prepared on the going concern basis.

At the balance sheet date, the group's liabilities exceeded its assets by £709,798 (including the FRS 102 deficit in the defined benefit pension scheme) and by £169,798 (excluding the pension scheme deficit). The Trust is therefore reliant on the continuing support of Brentwood Borough Council, its main long term creditor, who have indicated that their intention is to continue to support the Trust for at least the next twelve months. The Trustees have therefore concluded that the going concern basis is appropriate in the preparation of these financial statements.

Consolidation

The consolidated financial statements incorporate the financial statements of the charitable company and all group undertakings. The results of the subsidiary undertaking are consolidated on a line by line basis. As a consolidated statement of financial activities is published, a separate statement of financial activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES - (continued)

Income

Income from other trading activities includes income generated from the trading subsidiary.

The Trust charges the trading company for management charges to cover the costs of personnel and facilities, including hall hire.

Income from charitable activities represents income earned in the year from goods and services from leisure activities.

Grants are recognised in the period to which they relate. Grants received in respect of fixed assets are taken directly to the Statement of Financial Activities.

Expenditure

All expenses included in the Statement of Financial Activities are accounted for on an accruals basis.

Where the costs of charitable activities (including governance costs) cannot be directly attributed to a charitable activity they are allocated proportionately between Membership (15%), Health and fitness (15%), Swimming (60%) and Other (10%).

Expenditure on raising funds includes the expenditure associated with the trading subsidiary.

Expenditure on charitable activities includes expenditure incurred in the operation of the Leisure Centre.

Fixed assets

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected lives on the following basis:

Sporting facilities	-	10.0% - 14.3% straight line
Fixtures, fittings and equipment	-	20%/33.3% straight line

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals under operating leases are charged through the statement of financial activities on a straight line basis over the lease term.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES - (continued)

Investments

Investments are stated at cost less provision for any diminution in value.

Stock

Stock is valued at the lower of cost and net realisable value.

Cash and cash equivalents

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

Pension costs

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using a quality corporate bond rate. Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet. There are no deferred tax implications.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- Short term debtors (financial assets) are measured at the transaction price.
- Short term creditors and loans (financial liabilities) are measured at the transaction price.
- Long term debtors and creditors are discounted, where required, and the discounting adjustment would be material.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES - (continued)

Taxation

Brentwood Leisure Trust is a charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly Brentwood Leisure Trust is potentially exempt from taxation in respect of income or gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

The subsidiary undertaking is a company as defined under the Companies Act 2006 and does not receive an exemption from corporation tax. The subsidiary has recognised a deferred taxation asset of £30,083 in respect of tax losses and timing differences relating to depreciation and capital allowances. This asset has been provided for as there is felt to be sufficient certainty that it will reverse in the future.

The intention is for Brentwood Leisure Trading Limited to pay gift aid to Brentwood Leisure Trust as and when this is appropriate.

Funds

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees. Restricted funds – these are funds that can only be used in accordance with specific conditions specified by the donor. Further details are provided in note 14.

Donated goods and services

The charity receives certain donated services which are recognised within the Financial Statements at the fair value of the cost of services received. The balance is also recognised as donation income.

Restatement of comparatives

Certain comparatives have been restated where applicable for purposes of comparability. There has been no effect on the surplus for the prior year.

Significant judgements and estimates

The more significant judgements and estimates involved in the preparation of the financial statements include assessing the depreciation rates applicable to tangible fixed assets and the way in which certain costs should be apportioned. Further details regarding these points are included within the accounting policies.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
Grants receivable for core activities	<u>£ -</u>	<u>£ 36,099</u>	<u>£ 36,099</u>	<u>£ 24,315</u>

All grants above for the current year and comparative are restricted.

3 INCOME FROM CHARITABLE ACTIVITIES

	2016 £	2015 £
Membership	658,575	606,085
Health and fitness	184,992	162,957
Swimming	357,712	375,774
Community halls	467,275	465,977
Other activities	115,413	117,435
	<u>£ 1,783,967</u>	<u>£ 1,728,228</u>

The above total includes £82,038 released from income deferred in previous periods. Deferred income carried forwards for release in future periods totals £131,114 and is included in accruals and deferred income in notes 12 and 13.

Included within the above is restricted income of £Nil (2015 : £Nil).

4 INCOME FROM INVESTMENTS

	2016	2015
Interest receivable	<u>£ 21</u>	<u>£ -</u>

Included within the above is restricted income of £Nil (2015 : £Nil).

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

5 EXPENDITURE

	Staff related costs £	Depreciation £	Other costs £	Governance costs £	Total Funds 2016 £	Restated Total Funds 2015 £
Charitable activities						
Membership	161,314	2,607	80,639	4,037	248,597	233,899
Health and fitness	190,831	59,780	85,320	4,037	339,968	327,058
Swimming	513,985	16,148	345,672	16,150	891,955	895,543
Community halls	200,610	-	83,980	-	284,590	297,371
Other activities	48,301	59,280	56,901	2,692	167,174	168,244
	<u>1,115,041</u>	<u>137,815</u>	<u>652,512</u>	<u>26,916</u>	<u>1,932,284</u>	<u>1,922,115</u>
FRS 102 pension movements:						
Staff costs	-	-	2,000	-	2,000	(16,000)
Interest costs	-	-	25,000	-	25,000	22,000
	<u>1,115,041</u>	<u>137,815</u>	<u>679,512</u>	<u>26,916</u>	<u>1,959,284</u>	<u>1,928,115</u>
Expenditure on raising funds						
Expenditure on trading subsidiary	123,241	14,134	207,305	-	344,680	323,278
Tax charge on trading subsidiary	-	-	9,858	-	9,858	9,769
	<u>£ 1,238,282</u>	<u>£ 157,949</u>	<u>£ 896,675</u>	<u>£ 26,916</u>	<u>£ 2,313,822</u>	<u>£ 2,261,162</u>

Restricted funds above total £94,765 (2015 : £64,267).

Auditor's remuneration

Fees payable to the auditor for the audit of the Trust's annual accounts	<u>£ 16,100</u>	<u>£ 15,650</u>
Fees payable to the auditor and its associates for other services		
Tax services	795	775
FRS 102 compliance work	950	-
	<u>£ 1,745</u>	<u>£ 775</u>

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

6 STAFF COSTS

	2016 £	2015 £
Wages and salaries	977,858	945,626
National insurance contributions	51,138	53,702
Pension contributions	41,007	35,654
	<u>£ 1,070,003</u>	<u>£ 1,034,982</u>

There were no employees whose annual remuneration was £60,000 or more.

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary, Brentwood Leisure Trading Limited. The total remuneration of the senior management team was £182,039 (2015 : £167,734).

The average number of employees during the year was:

	2016 Number	2015 Number
Number of employees	101	89
Full time equivalent	<u>46</u>	<u>44</u>

This can be further analysed as follows:

Management	4	4
Finance	3	3
Reception / call centre	18	16
Halls staff	3	3
Sports facilities	48	44
Trading	25	19
	<u>101</u>	<u>89</u>

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

7 NET INCOME FROM TRADING ACTIVITY OF SUBSIDIARY

Brentwood Leisure Trading Limited is a wholly owned subsidiary which is incorporated in the United Kingdom. It operates a catering function and the holding of box office events. Its results for the year ended 31 March 2016 and 31 March 2015 are detailed below:

PROFIT AND LOSS ACCOUNT

	2016 £	2015 £
Turnover	443,552	446,126
Cost of sales	<u>(326,223)</u>	<u>(357,812)</u>
Gross profit	117,329	88,314
Administrative expenses	(75,957)	(39,466)
Tax charge	<u>(9,858)</u>	<u>(9,769)</u>
Profit for the year	<u>£ 31,514</u>	<u>£ 39,079</u>
Profit and loss account deficit at 31 March 2015	<u>£(158,042)</u>	<u>£ (197,121)</u>
Profit and loss account deficit at 31 March 2016	<u>£ (126,528)</u>	<u>£ (158,042)</u>
Capital and reserves deficit at 31 March 2016	<u>£ (126,527)</u>	<u>£ (158,041)</u>

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

8 TANGIBLE FIXED ASSETS

Group

	Sporting facilities £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2015	479,614	632,944	1,112,558
Additions	-	251,149	251,149
Disposals	-	(24,488)	(24,488)
At 31 March 2016	<u>479,614</u>	<u>859,605</u>	<u>1,339,219</u>
Depreciation			
At 1 April 2015	248,163	390,600	638,763
Charge for the year	52,808	99,141	151,949
Disposals	-	(24,488)	(24,488)
At 31 March 2016	<u>300,971</u>	<u>465,253</u>	<u>766,224</u>
Net book value			
At 31 March 2016	<u>£ 178,643</u>	<u>£ 394,352</u>	<u>£ 572,995</u>
At 31 March 2015	<u>£ 231,451</u>	<u>£ 242,344</u>	<u>£ 473,795</u>

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

8 TANGIBLE FIXED ASSETS - (continued)

Trust

	Sporting facilities £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2015	479,614	543,931	1,023,545
Additions	-	30,722	30,722
At 31 March 2016	<u>479,614</u>	<u>574,653</u>	<u>1,054,267</u>
Depreciation			
At 1 April 2015	248,163	305,665	553,828
Charge for the year	52,808	85,008	137,816
At 31 March 2016	<u>300,971</u>	<u>390,673</u>	<u>691,644</u>
Net book value			
At 31 March 2016	<u>£ 178,643</u>	<u>£ 183,980</u>	<u>£ 362,623</u>
At 31 March 2015	<u>£ 231,451</u>	<u>£ 238,266</u>	<u>£ 469,717</u>

Sporting facilities include donated assets with a net book value of £27,279 (2015 : £34,099).

Finance leases and hire purchase contracts

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

Assets held under hire purchase contracts have a total net book value of £142,847 (2015 : £201,667) and depreciation charge of £58,820 (2015 : £55,457).

Finance charges of £14,757 (2015 : £18,497) were paid during the year.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

9 FIXED ASSET INVESTMENTS

	Total
Cost	
At 1 April 2015 and 31 March 2016	<u>£ 1</u>
Net book value	
At 31 March 2015 and 31 March 2016	<u><u>£ 1</u></u>

10 SUBSIDIARY UNDERTAKING

The Trust holds more than 20% of the share capital of the following company:

Subsidiary undertaking	Country of registration or incorporation	Shares held Class	%
Brentwood Leisure Trading Limited Registered company number: 05135676	England	Ordinary	100

The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial year were as follows:

	Principal activity	Capital and reserves	Profit for the year after tax
Brentwood Leisure Trading Limited	Holding box office events	<u>£ (126,527)</u>	<u>£ 31,514</u>

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

11 DEBTORS

	2016		2015	
	Trust £	Group £	Trust £	Group £
Trade debtors	35,703	42,736	49,436	51,045
Other debtors	9,305	9,305	-	-
Amounts owed by group undertaking	221,992	-	198,371	-
Prepayments and accrued income	78,764	81,785	7,568	10,399
Deferred tax asset (Note 1)	-	30,083	-	39,941
	<u>£ 345,764</u>	<u>£ 163,909</u>	<u>£ 255,375</u>	<u>£ 101,385</u>
Amounts falling due after more than one year and included in the debtors above				
Amounts owed by group undertaking	<u>£ 221,992</u>	<u>£ -</u>	<u>£ 195,371</u>	<u>£ -</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016		2015	
	Trust £	Group £	Trust £	Group £
Net obligations under hire purchase contracts	50,667	50,667	45,679	45,679
Trade creditors	25,243	44,047	30,406	37,687
Amounts owed to Brentwood Borough Council	61,956	61,956	81,956	81,956
Taxes and social security costs	51,447	51,446	56,651	56,651
Other creditors	84,000	119,510	-	18,008
Accruals and deferred income	117,784	123,952	117,856	117,856
	<u>£ 391,097</u>	<u>£ 451,578</u>	<u>£ 332,548</u>	<u>£ 357,837</u>

The balance of £61,956 (2015 : £81,956) due to Brentwood Borough Council includes £Nil (2015 : £20,000) of income deferred to the following year.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016		2015	
	Trust £	Group £	Trust £	Group £
Amounts due to Brentwood Borough Council	225,346	225,346	287,302	287,302
Net obligations under finance leases and hire purchase contracts	80,641	80,641	131,308	131,308
Other creditors	-	118,368	-	-
Accruals and deferred income	78,403	78,403	-	-
	<u>£ 384,390</u>	<u>£ 502,758</u>	<u>£ 418,610</u>	<u>£ 418,610</u>

The Brentwood Borough Council creditor is payable by monthly instalments, of which £Nil (2015 : £39,478) falls due for repayments after 5 years.

The finance lease and hire purchase creditor above contains amounts of £53,812 (2015 : £50,667) due in 1-2 years and £26,829 (2015 : £80,641) due in 2-5 years.

14 RESTRICTED FUNDS

	Balance at 01.04.15 £	Movement in funds		Balance at 31.03.16 £
		Incoming resources £	Resources expended £	
Football facility grant	120,120	-	31,324	88,796
Cafe project grant	5,694	-	5,694	-
Beach volleyball facility grant	69,813	-	13,963	55,850
Fitness in Mind	24,315	7,560	31,875	-
Wheelchairs	-	19,956	3,326	16,630
Other sundry projects	-	8,583	8,583	-
	<u>£ 219,942</u>	<u>£ 36,099</u>	<u>£ 94,765</u>	<u>£ 161,276</u>

All restricted funds, with the exception of the grants in respect of Fitness-in-mind and other sundry projects, relate to the purchase of grant funded assets. The Fitness in Mind funds have been received to promote mental wellbeing through exercise and inclusive sports.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

15 ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Group			
Fund balances at 31 March 2016 are represented by:			
Tangible fixed assets	411,719	161,276	572,995
Current assets	211,543	-	211,543
Creditors: amounts falling due within one year	(451,578)	-	(451,578)
Creditors: amounts falling due after more than one year	(502,758)	-	(502,758)
Defined benefit pension liability	(540,000)	-	(540,000)
	<u>£ (871,074)</u>	<u>£ 161,276</u>	<u>£ (709,798)</u>

	Unrestricted funds £	Restricted funds £	Total £
Trust			
Fund balances at 31 March 2016 are represented by:			
Tangible fixed assets	201,347	161,276	362,623
Investments	1	-	1
Current assets	369,592	-	369,592
Creditors: amounts falling due within one year	(391,097)	-	(391,097)
Creditors: amounts falling due after more than one year	(384,390)	-	(384,390)
Defined benefit pension liability	(540,000)	-	(540,000)
	<u>£ (744,547)</u>	<u>£ 161,276</u>	<u>£ (583,271)</u>

16 OPERATING LEASES

At 31 March 2016 the Trust had total commitments under non-cancellable operating leases as follows :

	2016 £	2015 £
Expiry date:		
Within one year	1,079	-
Between two and five years	18,381	5,396
	<u>£19,460</u>	<u>£ 5,396</u>

During the year, the Trust incurred expenditure of £8,289 (2015 : £7,436) relating to operating leases.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

17 COMMITMENTS

There is a management agreement in place between Brentwood Borough Council and the Trust whereby the Council has agreed to transfer the operation of the recreational, sporting and leisure services at the Brentwood Centre to the Trust.

The Council has leased the Brentwood Centre to the Trust for a term of thirty years from 1 October 2004. From the date of transfer, the Trust agreed to take the transfer of the employees who were employed by the Council, and to carry out certain activities in relation to the Brentwood Centre insofar as they relate to the merchandising and promotion of events. Similar activities are undertaken by Brentwood Leisure Trading Limited, a wholly owned subsidiary of the Trust. All transactions with Brentwood Borough Council are at arm's length.

18 RELATED PARTY TRANSACTIONS

The Trust was under the control of the Trustees during the year.

During the year one Trustee, D Johnston, received remuneration for the provision of accountancy services. The total remuneration in respect of this service was £7,650. The balance outstanding at the year end in respect of this service was £1,500.

No other Trustees received any remuneration or benefits for their services as Trustees from the Trust during the year. The Trustees do not reclaim expenses.

19 PENSION COMMITMENTS

(a) The assets and liabilities of the pension scheme and the expected rate of return at 31 March were:

	% of scheme assets	2016 Value £	% of scheme assets	2015 Value £
Equities	68%	1,048,000	67%	982,000
Gilts	3%	46,000	4%	64,000
Other bonds	5%	74,000	10%	140,000
Properties	12%	184,000	11%	158,000
Cash	3%	50,000	2%	32,000
Alternative assets	4%	69,000	6%	83,000
Other managed funds	5%	77,000	-	-
		<hr/>		<hr/>
Total market value of assets		1,548,000		1,459,000
Present value of scheme liabilities		2,088,000		2,193,000
		<hr/>		<hr/>
Net estimated pension liability		£ (540,000)		£ (734,000)
		<hr/>		<hr/>

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

19 PENSION COMMITMENTS *(continued)*

(b) Asset and liability reconciliation:

	2016 £	2015 £
Reconciliation of liabilities (funded)		
Liabilities at start of year	2,193,000	1,705,000
Service cost	59,000	43,000
Interest cost	77,000	79,000
Employee contributions	15,000	15,000
Actuarial (gain)/loss	(238,000)	369,000
Benefits paid	(18,000)	(18,000)
	<u>£ 2,088,000</u>	<u>£ 2,193,000</u>
	2016 £	2015 £
Reconciliation of assets		
Assets at start of year	1,459,000	1,225,000
Expected return on assets (less interest)	(17,000)	121,000
Interest on assets	52,000	58,000
Employer contributions	58,000	59,000
Employee contributions	15,000	15,000
Benefits paid	(18,000)	(18,000)
Administration expenses	(1,000)	(1,000)
	<u>£ 1,548,000</u>	<u>£ 1,459,000</u>

(c) History of scheme assets and liabilities:

	2016 £	2015 £	2014 £	2013 £
Fair value of the scheme assets	1,548,000	1,459,000	1,225,000	1,127,000
Present value of scheme liabilities	(2,088,000)	(2,193,000)	(1,705,000)	(1,740,000)
Scheme deficit	<u>£ (540,000)</u>	<u>£ (734,000)</u>	<u>£ (480,000)</u>	<u>£ (613,000)</u>

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

19 PENSION COMMITMENTS *(continued)*

(d) History of experience gains and (losses):

	2016 £	Restated 2015 £	2014 £	2013 £
Difference between the expected and actual return on scheme assets:				
Amount	(17,000)	121,000	175,000	322,000
Percentage of scheme assets	1%	8%	14%	29%
Experience gains/(losses) on scheme liabilities:				
Amount	238,000	(369,000)	(46,000)	(1,000)
Percentage of the present value of scheme liabilities	11%	17%	3%	0%
Total amount recognised in group statement of financial activities	<u>£ 221,000</u>	<u>£ (248,000)</u>	<u>£ 129,000</u>	<u>£ 321,000</u>
Percentage of the present value of scheme liabilities	5.5%	(4.8%)	9.4%	1.8%

(e) Return on scheme assets:

The overall expected rate of return on scheme assets was expected to be 2.0% in 2015/16. This figure will vary year on year depending on the assumptions made and the underlying distribution of the fund's assets which will vary during the year and as a result it is not appropriate to break down the expected return on assets across the different asset categories. Actual returns on scheme assets have been £35,000 for the year to 31 March 2016, being 2.2% of the year end asset value.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

19 PENSION COMMITMENTS *(continued)*

- (f) A full actuarial valuation was carried out for the defined benefit scheme at 31 March 2013 and updated to 31 March 2016 by Barnett Waddingham using the Projected unit method. The major assumptions used by the actuary were:

	2016	2015
	%	%
Main assumptions:		
Rate of increase in salaries	4.3	4.3
Rate of increase in pensions in payment	2.5	2.5
Discount rate	3.9	3.5
Inflation assumption	3.4	3.4

- (g) Movement in deficit during the period:

	2016	2015
	£	£
At 1 April 2015	(734,000)	(480,000)
Current service cost	(59,000)	(43,000)
Net interest cost	(25,000)	(21,000)
Actuarial gains/(losses) (note 19(d))	221,000	(248,000)
Employer contributions	58,000	59,000
Administration expenses	(1,000)	(1,000)
At 31 March 2016	<u>£ (540,000)</u>	<u>£ (734,000)</u>

FRS 102 disclosures are not on the same basis as the triennial actuarial review of the pension fund valuation and the two are for different purposes. FRS 102 is a one off assessment at the year end for accounting disclosure purposes. The FRS 102 calculations are more prescriptive. At the current time they emphasise the liabilities and produce a balance sheet position worse than the triennial valuation position.

While the figure is substantial it should be remembered that:

- It is not an immediate deficit that has to be met now. The sum is the current assessment taking a long term view of the future liabilities both for existing pensioners and current employees who are accruing pension entitlement.
- It is not a problem unique to Brentwood Leisure Trust. There is a national problem for pension funds both private and public sector.
- The Essex pension fund is regularly reviewed and additional contributions have already been initiated to address the problem over a period of years.

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

19 PENSION COMMITMENTS *(continued)*

(h) Analysis of the amount charged to the income and expenditure account:

	2016 £	Restated 2015 £
Current service cost	(59,000)	(43,000)
Employer contributions	58,000	59,000
Administration expenses	(1,000)	(1,000)
	<u>£ (2,000)</u>	<u>£ 15,000</u>

Analysis of amounts charged to finance costs:

	2016 £	Restated 2015 £
Other finance costs: expected return on assets in the scheme	52,000	58,000
Other finance costs: interest costs	(77,000)	(79,000)
	<u>£ (25,000)</u>	<u>£ (21,000)</u>

During the year ended 31 March 2016 the employer contribution rate was 14.1%. Since the year end there has been no notification that the rate will be revised.

(i) Life assumptions:

	2016	2015
Life expectancy:		
Current pensioner aged 65		
Male	22.9	22.8
Female	25.3	25.2
Future pensioner aged 65 in 20 years' time		
Male	25.2	25.1
Female	27.7	27.6

BRENTWOOD LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2016

20 TRANSITION TO FRS 102

The company has adopted FRS 102 for the year ended 31 March 2016 and has restated the comparative figures as a result.

Defined benefit pension scheme

There is a presentational change under FRS 102 whereby net interest on the net defined benefit pension liability is presented in the income and expenditure account using the liability discount rate. Under previous UK GAAP the interest on the expected return on net assets was calculated using an expected asset return discount rate. This has no impact on funds on transition but affects the allocation of interest between the income and expenditure account and other comprehensive income. The reanalysis for the prior year is reconciled below.

FRS 102 reconciliation – year ended 31 March 2015:

	Restated under FRS 102 £	As previously disclosed £
FRS 102 movements:		
Staff costs – credit	15,000	16,000
Interest costs	(21,000)	(4,000)
Actuarial losses on defined benefit pension scheme	(248,000)	(266,000)
Net cost	<u>£ (254,000)</u>	<u>£ (254,000)</u>

The following change in accounting policies arose from the transition to FRS 102:

Adjustment to net interest on net defined pension liability

Under previous UK GAAP the interest on the expected return on the pension plan assets was calculated using an expected asset rate. FRS 102 requires that the net defined benefit liability is calculated using the liability discount rate for the scheme.