

REGISTERED COMPANY NUMBER: 04809606 (England and Wales)
REGISTERED CHARITY NUMBER: 1102460

REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016
FOR
MYTIME ACTIVE

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FOR THE YEAR ENDED 31 MARCH 2016

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MYTIME ACTIVE

REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 MARCH 2016**

The Trustees, who are also directors of the Charitable Company for the purposes of the Companies Act 2006, present their report, which includes their strategic report, with the consolidated financial statements of the Charitable Company and the Group for the year ended 31 March 2016. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) (FRS102) 'Accounting and Reporting by Charities' effective 1 January 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04809606 (England and Wales)

Registered Charity number

1102460

Registered office

4th Floor
Linden House
153-155 Masons Hill
Bromley
Kent
BR2 9HY

Trustees

E D Barkway	
L W Tutt	- resigned 30 November 2015
C Whatford	
D C Pickup	- resigned 30 November 2015
M D Oakley	
Cllr T Stevens	
J Heald	
A Hollands	
Cllr N Bennett	
M R Evans	
I M Gowan	
V Lowman	- appointed 22 June 2016
A Muzzelle	- appointed 22 June 2016

Chief Executive

M Mayne

Company Secretary

P N Cooper	- resigned 7 March 2016
P Drury	- appointed 7 March 2016

Auditors

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

Solicitors

Winckworth Sherwood LLP, Minerva House, 5 Montague Close, London SE1 9BB

Clarkson, Wright and Jakes, Valiant House, 12 Knoll Rise, Orpington, Kent, BR6 0PG

REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a Company limited by guarantee, incorporated on 24 June 2003 and registered as a Charity on 3 March 2004. The Charitable Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

Recruitment and appointment of new trustees

In exercising its powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Trustees, the Trustees shall seek to ensure that the Board comprises persons with a broad range of skills who are likely to contribute to the Charity's success.

Subject to the above, the London Borough of Bromley may nominate for consideration the Trustees for appointment, such number of Trustees as comprise less than 20% of the total number of Trustees.

Induction and training of new trustees

Trustees follow an induction and familiarisation programme as required, and attend development sessions to ensure they have the knowledge to carry out their responsibilities.

Organisational structure

The Board of Trustees of up to 12 people, who meet quarterly, have delegated the responsibility of administering the Charity to a management team of 5 people. This management team is made up as follows and meets monthly:

Marg Mayne	Chief Executive
Phil Drury	Finance Director
Martin Boyce	People Director
Jason Stanton	Operations Director
Phil Veasey	Business Development & Marketing Director

Remuneration of Key Management Personnel

The Finance & Investment group, which is a sub committee of the Trustees, meets annually to set executive pay.

Working Partnerships

The Charitable Company has a close relationship with all the local authorities, who contract the company to operate leisure, golf and Health services across the country.

Related parties

The Charitable Company owns 100% of the ordinary issued share capital of Mytime Enterprises Limited.

Mytime Active has taken advantage of the exemption afforded under FRS 102 regarding disclosure of transactions and balances with its wholly owned subsidiary, Mytime Enterprises Limited, when preparing these financial statements.

Risk management

The Trustees recognise risk management as one of their key responsibilities. Risks are identified and recorded in the Charitable Company's risk register together with the controls and actions designed to mitigate them. In reviewing its position the Charitable Company is able to report that none of the risks identified have to date materialised into significant liabilities as appropriate action has been taken to limit the potential of these risks. Identified risks are reviewed periodically and appropriate action taken where necessary.

REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charitable Company are:

- To provide or assist in the provision of facilities and services for the benefit of the community and, in particular, the London Borough of Bromley and any surrounding areas for 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 provided 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;
- To advance public education by the encouragement of culture and the arts;
- To promote and advance the education of the public at large in the advantages of healthy and active lifestyles including the benefit of a balanced diet;
- To carry out such other charitable purposes beneficial to the community consistent with the objects above as the Trustees shall in their absolute discretion determine.

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.

The benefit to the public of us achieving our aims is in contributing to the recreation, leisure and health services of the community.

Who used and benefited from our services

Overall attendances at our Leisure facilities remained healthy at over 3 million visits, comparable with previous years. We had just over 477,500 rounds of golf played at our Golf sites. Recipients of our Health and Wellbeing Services were similar to previous years, with circa 120,000 in total for the year.

Many groups benefited from our services, amongst them were groups and individuals for whom we provide special opportunities to ensure they participate and are not disadvantaged for any reason. We have worked extensively with young people through the MyFuture and Arts Train projects as well as through delivery of the London Youth Games for Bromley

Primetime Buddies continued to introduce many new older people to the social and health benefits of an active life style.

Our concessionary and value for money prices continue to attract those on low incomes into our services, all of which are also accessible on a pay and play basis.

Tackling health inequalities, we have extended delivery of our leading child weight management programme MEND across four central London Boroughs integrating in to schools and other health lifestyle provision. We also have programmes that include prevention, treatment or rehabilitation, engaging with people, empowering change and integrating services to ensure each client can lead a healthier lifestyle.

REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

Chairman's statement

Overall the company has had another successful year, with revenues slightly up on the prior year. We achieved £32.6m turnover (£32.5m 2014/15) and an operating surplus for the year of £0.91m (£1.96m 2014/15).

The Golf divisions strategy of focusing on membership and functions to weather proof the business is proving successful and increasing local market share with revenues up 2.3% year on year, this is a strong performance where golf participation has been declining.

The Leisure division revenue performance was buoyed by a re-vamped family membership, overall leisure revenues were up 2% year on year.

The company was successful in retaining all expiring health contracts during the year, but due to the squeeze in public health funding, the range of services and margins are tighter, as a result revenues were down 10.4%.

Reserves of more than £960k were invested during the year in its facilities; such as course improvement machineries in our golf centres, also improving customer facilities at Beckenham Spa, alongside a rolling program of asset management.

Through the Community Investment Fund we have supported a strong portfolio of projects that reflect the wide geographical spread of the areas which we serve as well as the diverse communities and service user groups we engage with.

FINANCIAL REVIEW

Income and expenditure

The business produced another strong year with revenue of £32.6m, however operational expenditure has increased. This has resulted in decrease in profit year on year (2015/16 £ 910k Vs 2014/15 £ 1.96k).

Leisure revenue was up by 2% year on year partly due strong performance in membership. Family membership was introduced in October 2015 which has resulted in an increase in membership across our leisure centres. Golf revenue increased to £10.5m up 2% on prior year, partly as a result of the investment in Dibden Golf & Barnehurst Golf in 2014/15. The company continues to invest in its food & beverage service and as a result spend per visit increased across our sites. The Golf market remains very competitive as the general golf market continues to show year on year decline from the peak in the 80's, against this backdrop the increase in the year represent a strong result. Health revenues have fallen 10% year on year due to some contracts expiring in the year and not being replaced.

Total staff costs including taxes and pension contributions has increased by 1% year on year, representing 54% (2014/15 – 53%) of total income. Total overheads also increased due to making improvements in various golf & leisure sites to enhance customer experience. There is a significant increase in Health division cost during 2015/16 (5%) compared with 2014/15 which is partly due to de-mobilisation of contracts which came to an end during 2015/16.

Capital and investments

The capital expenditure during the year to 31 March 2016 was as follows:

Company	(note 15)	£
Improvements to property		79,118
Equipment, plant & fittings		<u>963,087</u>
Total purchased		<u>1,042,205</u>

REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW (continued)

The Charitable Company uses available reserves to underpin necessary re-investments back into the service. These investments are key to gaining future business success and ensuring customers continue to receive services at a quality and price that meets their growing expectations. Since the Charitable Company began in 2004 more than £21m has been invested into facilities so far.

The Charitable Company will continue to invest in the facilities that it operates and the infrastructure that supports them to ensure best value for money for our customers. Investments will include energy efficiencies in line with our policy to reduce our carbon footprint and keep the increase in energy costs to a minimum to protect our surpluses.

Investment powers and policy

The Charitable Company has a low risk investment policy and as such surplus money not immediately required for the operational needs of the Charitable Company is invested in interest bearing accounts. Interest received during the financial year was £72k (2014/15 - £38k).

Net cash inflow from operating activities was £3.3m (2014/15 - £4m) during the year. Of this, £1m (2014/15 - £2m) was used to fund capital improvements and business acquisitions. The net cash inflow for the year was £2.4m compared to a net cash inflow of £2.8m in 2014/15. Cash balances were £9.2m (2015 - £6.8m) at the year end.

Reserves policy and Charity funds

At 31 March 2016 the parent Charitable Company and its subsidiary undertakings had accumulated reserves of £13.6m (2015 - £12.2m), within this were restricted reserves of £0.191m (2015: £0.497m). The increase in reserves during the year was as a result of the operating surplus generated and the impact of the decrease in the pension liability.

The Trustees recognise the need for a level of financial reserves that will:

1. Allow for planned investment and other similar purposes;
2. Allow for cyclical maintenance expenditure which the Charitable Company has an obligation to incur under various property leases; and
3. Shield the Charitable Company from the possibility of adverse unforeseen circumstances.

These unforeseen circumstances include a number of specific events that have been identified in the Charitable Company's policy on Risk Management and Business Continuity. The Trustees have considered the risks and opportunities and identified that the company maintains minimum liquid reserves £1.5m. At 31st March the company had £9.2m of liquid reserves.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the group and charitable company have adequate resources to continue in operational existence for the foreseeable future. The group and charitable company therefore continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies within note 1 of the financial statements.

PLANS FOR FUTURE PERIODS

The company's purpose is for everyone to 'get more from life'. It will achieve this through improving quality, increasing participation, customer satisfaction, and measuring and improving health and welfare our aim is to continue to generate surpluses to re-invest to benefit the communities that we serve and change people's lives for the better.

We will not achieve our purpose on our own so will work in partnership with local authorities and local organisations, to bring improvement programmes that will increase health and wellbeing in local communities.

To measure this the company has set three organisational goals:

1. Increase the average levels of wellbeing in our core communities
2. Grow turnover and EBITDA by a factor of 2
3. Reach an 80% employee engagement score

REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

DISABLED PERSONS

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

EMPLOYEE INVOLVEMENT

One of the company's organisational goals is to reach an employee engagement score of 80%. An annual employee survey is carried out, action plans are then drawn up following the survey to improve employee engagement.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees incorporating a Strategic Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS102 (the financial reporting standard applicable in the UK and R.O.I.).

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 the Group and of the net income or expenditure of the Group 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 accounting standards have been followed, subject to any material departures explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and the Group will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

APPROVAL OF REPORTS

In approving the Report of the Trustees, the Trustees of the Charitable Company also approve the Strategic Report in their capacity as Directors.

ON BEHALF OF THE BOARD:



.....
Trustee

Date: 14 December 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF **MYTIME ACTIVE**

We have audited the Group and Charitable Company financial statements of Mytime Active for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and the related notes. 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 R.O.I.).

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 a Report of the Auditors 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.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page six, 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's and the parent Charitable 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 Report of the Trustees, including the Strategic 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 on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Charitable 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.

Opinion on other matter 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, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the trustees have been prepared in accordance with applicable legal requirements.

In 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 strategic report and the report of the Trustees.

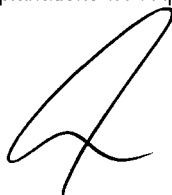
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MYTIME ACTIVE

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, 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.

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
ME10 4AE



Date: 14 December 2016

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
& STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds £	Restricted Funds £	Pension Adjustment Unrestricted £	31.3.16 Total Funds £	31.3.15 Total Funds £
INCOME						
<i>Income from Investments:</i>						
Investment income	5	71,738	-	-	71,738	38,315
<i>Income from generated funds:</i>						
Commercial trading operations	3	1,604,271	-	-	1,604,271	922,901
<i>Income from charitable activities:</i>						
Operation of leisure, recreation sites and health activities	6	30,547,781	5,700	-	30,553,481	31,259,231
Other funding	6	286,648	104,686	-	391,334	258,607
Grants	6	-	4,648	-	4,648	36,638
		30,834,429	115,034	-	30,949,463	31,554,476
Total income		32,510,438	115,034	-	32,625,472	32,515,692
EXPENDITURE						
<i>Costs of generating funds:</i>						
Commercial trading operations	3	1,538,883	-	-	1,538,883	839,902
<i>Expenditure on charitable activities:</i>						
Operation of leisure, recreation sites and health activities	7	29,694,654	420,770	61,000	30,176,424	29,711,773
Total expenditure		31,233,537	420,770	61,000	31,715,307	30,551,675
Net income / (expenditure) for the year before actuarial gains / (losses) under FRS102		1,276,901	(305,736)	(61,000)	910,165	1,964,017
Re-measurements on defined benefit schemes	24	-	-	439,000	439,000	(556,000)
Net movement in funds		1,276,901	(305,736)	378,000	1,349,165	1,408,017
RECONCILIATION OF FUNDS						
Total funds brought forward	27	13,241,786	496,560	(1,514,000)	12,224,346	10,816,329
Total funds carried forward		14,518,687	190,824	(1,136,000)	13,573,511	12,224,346

CONTINUING OPERATIONS


All incoming resources and resources expended arise from continuing activities.

MYTIME ACTIVE**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2016**

		31.3.16 Total Funds £	31.3.16 Total Funds £	31.3.15 Total Funds £	31.3.15 Total Funds £
	Notes				
FIXED ASSETS					
Intangible assets	14		164,199		188,525
Tangible assets	15		9,170,521		9,763,661
Investments	16		-		-
			9,334,720		9,952,186
CURRENT ASSETS					
Stocks	17	334,592		386,782	
Debtors: amounts falling due within one year	18	1,759,208		2,256,833	
Cash at bank and in hand		9,194,280		6,830,715	
		11,288,080		9,474,330	
CREDITORS					
Amounts falling due within one year	19	(4,904,105)		(4,758,868)	
NET CURRENT ASSETS			6,383,975		4,715,462
TOTAL ASSETS LESS CURRENT LIABILITIES			15,718,695		14,667,648
CREDITORS					
Amounts falling due after more than one year	20		(587,200)		(587,200)
PROVISIONS FOR LIABILITIES	23		(421,984)		(342,102)
PENSION LIABILITY	24		(1,136,000)		(1,514,000)
NET ASSETS			13,573,511		12,224,346
FUNDS					
Unrestricted funds			13,382,687		11,727,786
Restricted funds			190,824		496,560
TOTAL FUNDS	27		13,573,511		12,224,346

The financial statements were approved by the Board of Trustees on 14 December 2016 and were signed on its behalf by:


Trustee


Trustee

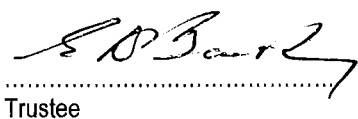
Company Registered Number: 04809606

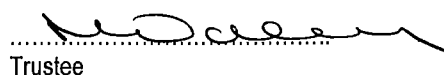
The notes form part of these financial statements

COMPANY BALANCE SHEET
AT 31 MARCH 2016

		31.3.16 Total Funds £	31.3.16 Total Funds £	31.3.15 Total Funds £	31.3.15 Total Funds £
	Notes				
FIXED ASSETS					
Intangible assets	14		164,199		188,525
Tangible assets	15		9,170,521		9,763,661
Investments	16		1		1
			<u>9,334,721</u>		<u>9,952,187</u>
CURRENT ASSETS					
Stocks	17	288,580		361,165	
Debtors: amounts falling due within one year	18	1,753,810		2,262,542	
Cash at bank and in hand		<u>9,185,622</u>		<u>6,822,027</u>	
		11,228,012		9,445,734	
CREDITORS					
Amounts falling due within one year	19	<u>(4,844,038)</u>		<u>(4,730,273)</u>	
NET CURRENT ASSETS			<u>6,383,974</u>		<u>4,715,461</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			15,718,695		14,667,648
CREDITORS					
Amounts falling due after more than one year	20		(587,200)		(587,200)
PROVISIONS FOR LIABILITIES	23		(421,984)		(342,102)
PENSION LIABILITY	24		(1,136,000)		(1,514,000)
NET ASSETS			<u>13,573,511</u>		<u>12,224,346</u>
FUNDS					
Unrestricted funds			13,382,687		11,727,786
Restricted funds			<u>190,824</u>		<u>496,560</u>
TOTAL FUNDS	27		<u>13,573,511</u>		<u>12,224,346</u>

The financial statements were approved by the Board of Trustees on 14 December 2016 and were signed on its behalf by:


Trustee


Trustee

Company Registered Number: 04809606

The notes form part of these financial statements

MYTIME ACTIVE**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	31.3.16 £	31.3.15 £
Cash flows from operating activities	1		
Cash generated from operations		<u>3,334,032</u>	<u>4,010,534</u>
Net cash from operating activities		<u>3,334,032</u>	<u>4,010,534</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,042,205)	(1,931,699)
Disposal of tangible fixed assets		-	-
Interest received		<u>71,738</u>	<u>38,315</u>
Net cash from investing activities		<u>(970,467)</u>	<u>(1,893,384)</u>
Cash flows from financing activities			
Interest paid		-	(23)
New loans in the year		-	734,000
Loan repayments made		<u>-</u>	<u>-</u>
Net cash from investing activities		<u>-</u>	<u>733,977</u>
Increase in cash in the period		<u><u>2,363,565</u></u>	<u><u>2,851,127</u></u>

Reconciliation of net cash flow to movement in net funds

2

Increase in cash in the period	2,363,565	2,851,127
Cash inflow from increase in debt and lease financing	<u>-</u>	<u>(734,000)</u>
Change in net funds resulting from cash flows	<u>2,363,565</u>	<u>2,117,127</u>
Movement in net funds in the period	2,363,565	2,117,127
Net funds at 1 April	<u>6,096,715</u>	<u>3,979,588</u>
Net funds at 31 March	<u><u>8,460,280</u></u>	<u><u>6,096,715</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.16 £	31.3.15 £
Net incoming resources before other recognised gains and losses	910,165	1,964,017
Amortisation of goodwill	24,326	24,325
Depreciation charges	1,626,235	1,779,524
Deficit on disposal of fixed assets	9,110	160,859
Movement in provisions	79,882	44,066
Decrease in stocks	52,190	97,108
Decrease/(Increase) in debtors	497,625	(260,308)
Increase in creditors	145,237	194,360
Taxation	-	(6,125)
Net interest cost	52,000	40,000
Difference between pension charge and cash contributions	8,000	10,000
Administrative expenses	1,000	1,000
Interest received	(71,738)	(38,315)
Interest paid	-	23
Net cash inflow from operating activities	<u>3,334,032</u>	<u>4,010,534</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.15 £	Cash flow £	At 31.3.16 £
Net cash:			
Cash at bank and in hand	6,830,715	2,363,565	9,194,280
Debt:			
Debts falling due within one year	(146,800)	-	(146,800)
Debts falling due after one year	(587,200)	-	(587,200)
	<u>(734,000)</u>	<u>-</u>	<u>(734,000)</u>
Total	<u>6,096,715</u>	<u>2,363,565</u>	<u>8,460,280</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the provisions of FRS 102 (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There were no material departures from that standard.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

These financial statements for the year ended 31 March 2016 are the first financial statements that comply with FRS 102. The date of transition is 1 April 2014. The transition to FRS102 has resulted in a small number of changes in accounting policies to those used previously. The nature of these changes and their impact on opening equity and surplus for the comparative period are explained in the reconciliations on page 29.

Going concern

The Group meets its day to day working capital requirements through income generated. The Group has adequate financial resources together with customers and strategic parties to continue trading at current levels. As a consequence the Trustees believe that the Group is well placed to manage its business risks successfully. The Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they consider it appropriate to continue to prepare the financial statements on a going concern basis. The Trustees are satisfied that the Group will be able to meet all its obligations as and when they fall due.

Group financial statements

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

Company status

The Charity is a Company limited by guarantee.

Incoming resources

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

Grants/Other funding

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

Unrestricted funds

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

Restricted funds

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

Resources expended

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 cannot be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES – continued**Allocation and apportionment of costs**

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

Taxation

The Charitable Company is exempt from corporation tax on its charitable activities. Where the Charitable Company conducts trading activities corporation tax is charged on the profits arising from these activities.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired business at the date of acquisition. Goodwill arising from such acquisitions is included in intangible assets. The goodwill is then amortised over its expected useful life. Goodwill is tested for impairment at the end of the first full financial year after acquisition and then if events or changes in circumstances indicate that carrying values may not be recoverable. Any impairment is recognised immediately in the statement of financial activities. Subsequent reversals of impairment losses for goodwill are not recognised.

Tangible fixed assets

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

Improvements to property	-over remaining term of lease
Equipment, plant and fittings	-straight line over 3 and 5 years
Motor vehicles	-straight line over 5 years
Computer equipment	-straight line over 5 years

Service Concession Arrangements

The Charitable Company has Service Contracts with Local Authorities for the operation of leisure centres and golf courses owned by the Local Authorities to which it has lease and management service contracts. The Authorities have rights under the contracts to specify the activities offered by the centres and have influence over the prices charged for them and specify minimum standards for the services to be provided.

Property, plant and equipment

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

Stocks

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

Debtors receivable and creditors payable within one year

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

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Provisions

A provision is recognised in the balance sheet when the Charitable Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions, when created are based on the best information available to the Board at that point of time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES – continued

Hire purchase and leasing commitments

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

Pensions

The Charitable Company operates a pension scheme providing benefits based on final pensionable pay. Contributions to the defined benefits 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. The assets of the scheme are held separately in an independently administered fund.

The Charitable Company complies with legislation concerning automatic enrolment and as such operates a defined contribution pension scheme. Contributions to defined contribution schemes are charged to the Statement of Financial Activities as incurred. These include contributions to the stakeholder pension scheme and employees' personal pension schemes.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Management do not consider there to be any key sources of estimation uncertainty which would have a significant effect on the amounts recognised in the financial statements.

2. FINANCIAL ACTIVITIES OF THE CHARITY

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

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

	31.3.16	31.3.15
	£	£
Gross incoming resources	31,021,203	31,592,791
Fundraising trading expenditure	-	-
Total expenditure on charitable activities	(30,176,426)	(29,711,773)
Impairment of goodwill	-	-
Bad debt write back/(provision) on subsidiary's profit/(loss) for the year	<u>65,388</u>	<u>82,999</u>
Net incoming resources	910,165	1,964,017
Actuarial (loss)/gain on defined benefit pension scheme	<u>439,000</u>	<u>(556,000)</u>
	<u><u>1,349,165</u></u>	<u><u>1,408,017</u></u>

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

A summary of the trading results of the wholly owned subsidiary Mytime Enterprises Limited is shown below:

	1.3.16	31.3.15
	£	£
Turnover	1,604,271	922,901
Cost of sales and administration costs	(1,522,535)	(853,804)
Deferred tax (debit) / credit to profit and loss	(13,902)	13,902
Current tax (debit) to profit and loss	<u>(2,446)</u>	<u>-</u>
Net profit/(loss)	<u><u>65,388</u></u>	<u><u>82,999</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

4. PROFIT / LOSS OF THE PARENT COMPANY

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent Charitable Company is not presented as part of these financial statements. The parent Charitable Company's net incoming resources after actuarial gains/losses under defined benefit pension schemes for the financial year was £1,349,165 (2015: £1,408,017).

5. INVESTMENT INCOME

	31.3.16 £	31.3.15 £
Deposit account interest	<u>71,738</u>	<u>38,315</u>

All of the group's investment income arises from interest bearing deposit accounts. Income from investments was £71,738 (2015: £38,315) of which £nil (2015: £nil) was attributable to restricted funds and £71,738 (2015: £38,315) was attributable to unrestricted funds.

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	31.3.16 £	31.3.15 £
Operation of leisure, recreation sites and health activities	30,553,481	31,259,231
Grants	4,648	36,638
Other funding	<u>391,334</u>	<u>258,607</u>
	<u>30,949,463</u>	<u>31,554,476</u>

Income from charitable activities was £30,949,463 (2015: £31,554,476) of which £115,034 (2015: £136,166) was attributable to restricted funds and £30,834,429 (2015: £31,418,310) was attributable to unrestricted funds.

7. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Direct Staff Costs £	Support Costs (see note 8) £	31.3.16 Total Charitable Activities £	31.3.15 Total Charitable Activities £
Leisure, recreation and health activities	<u>12,660,488</u>	<u>14,070,449</u>	<u>3,445,487</u>	<u>30,176,424</u>	<u>29,711,773</u>

£420,770 (2015: £109,455) of the above costs were attributable to restricted funds and £29,755,654 (2015: £29,602,318) of the above costs were attributable to unrestricted funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

8. SUPPORT COSTS

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

	31.3.16	31.3.15
	Operation of leisure, recreation sites and health activities	Operation of leisure, recreation sites and health activities
	£	£
Wages	1,983,812	2,136,517
Premises expenses	257,501	266,706
Motor and travel	81,915	103,318
Overheads	639,859	612,255
Service charges	34,180	32,493
Legal and professional	33,825	71,455
Consultants	358,164	141,319
Depreciation of tangible assets	56,231	106,778
	<u>3,445,487</u>	<u>3,470,841</u>

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

9. GOVERNANCE COSTS

	31.3.16	31.3.15
	£	£
Auditors' remuneration	17,000	16,500
Auditors' remuneration for non-audit work	3,000	2,500
Internal audit fees	6,300	1,575
	<u>26,300</u>	<u>20,575</u>

10. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.16	31.3.15
	£	£
Auditors' remuneration	17,000	16,500
Auditors' remuneration for non-audit work	3,000	2,500
Internal audit fees	6,300	1,575
Audit of trading subsidiary	3,500	4,500
Audit of trading subsidiary (over)/under provision in the previous year	(380)	2,500
Depreciation - owned assets	1,626,235	1,779,524
Hire of plant and machinery	63,554	107,742
Deficit on disposal of fixed asset	9,110	160,859
Cost of stocks recognised as an expense	2,247,821	2,205,680
Goodwill amortisation	24,326	24,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

11. TRUSTEES' REMUNERATION AND BENEFITS

The Trustees neither received nor waived any emoluments during the year.

Trustees' Expenses

During the year, reimbursed expenses amounting to £98 (2015: £nil) were paid to Trustees.

12. STAFF COSTS

	31.3.16 £	31.3.15 £
Company		
Wages and salaries	14,570,921	14,654,609
Social security costs	979,360	976,943
Other pension costs	<u>503,980</u>	<u>500,140</u>
	16,054,261	16,131,692
Subsidiary		
Wages and salaries	524,133	297,121
Social security costs	40,994	23,188
Other pension costs	<u>20,496</u>	<u>11,847</u>
	<u>585,623</u>	<u>332,156</u>
	<u>16,639,884</u>	<u>16,463,848</u>

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

	31.3.16	31.3.15
Senior management	5	5
Leisure, recreation & health activities	1,072	1,084
Support	<u>47</u>	<u>48</u>
	<u>1,124</u>	<u>1,137</u>

The average monthly number of employees during the year, expressed as full time equivalents was as follows:

	31.3.16	31.3.15
Senior management	5	5
Leisure, recreation & health activities	623	624
Support	<u>40</u>	<u>40</u>
	<u>668</u>	<u>669</u>

The total amount of employee benefits received by key management personnel is £349,981 (2015: £487,888). The trust considers its key management personnel comprise of the executive directors of the charitable company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

12. STAFF COSTS - continued

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

	31.3.16	31.3.15
£60,001 - £70,000	3	1
£70,001 - £80,000	-	1
£80,001 - £90,000	-	2
£90,001 - £100,000	2	1
£110,001 - £120,000	1	-
£150,001 - £160,000	<u>1</u>	<u>-</u>
	<u>7</u>	<u>7</u>

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

31.3.16	31.3.15
1	1

During the year under review an ex-gratia payment of £21,250 was made in respect of a settlement agreement to mutually terminate a contract of employment.

13. TAXATION

The Charitable Company paid no corporation tax during the year (2015: £6,125) in respect of its surplus from trading activities in the previous year. Provisions for £2,446 (2015: £nil) have been made at 31 March 2016 for corporation tax due in respect of the surplus from trading activities recorded in the year ended 31 March 2016. During the year ended 31 March 2016 all trading activities were conducted by the wholly owned subsidiary, Mytime Enterprises Limited.

14. INTANGIBLE FIXED ASSETS**Group and company**

	Goodwill £
COST	
At 1 April 2015 and 31 March 2016	<u>237,176</u>
AMORTISATION	
At 1 April 2015	48,651
Charge for year	<u>24,326</u>
At 31 March 2016	<u>72,977</u>
NET BOOK VALUE	
At 31 March 2016	<u>164,199</u>
At 31 March 2015	<u>188,525</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

15. TANGIBLE FIXED ASSETS**Group and company**

	Improvements to property £	Equipment, plant and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2015	10,852,923	6,394,207	53,855	1,178,126	18,479,111
Additions	79,118	963,087	-	-	1,042,205
Disposals	-	(193,378)	-	-	(193,378)
At 31 March 2016	<u>10,932,041</u>	<u>7,163,916</u>	<u>53,855</u>	<u>1,178,126</u>	<u>19,327,938</u>
DEPRECIATION					
At 1 April 2015	3,328,406	4,425,704	29,126	932,214	8,715,450
Charge for year	636,548	844,830	7,361	137,496	1,626,235
Eliminated on disposal	(4,209)	(179,874)	-	(185)	(184,268)
At 31 March 2016	<u>3,960,745</u>	<u>5,090,660</u>	<u>36,487</u>	<u>1,069,525</u>	<u>10,157,417</u>
NET BOOK VALUE					
At 31 March 2016	<u>6,971,296</u>	<u>2,073,256</u>	<u>17,368</u>	<u>108,601</u>	<u>9,170,521</u>
At 31 March 2015	<u>7,524,517</u>	<u>1,968,503</u>	<u>24,729</u>	<u>245,912</u>	<u>9,763,661</u>

16. FIXED ASSET INVESTMENTS**Company**

Shares in group
undertakings

MARKET VALUE	£
At 1 April 2015 and 31 March 2016	1
NET BOOK VALUE	
At 31 March 2015 and 31 March 2016	<u>1</u>

There were no investment assets outside the UK.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

16. FIXED ASSET INVESTMENTS - continued

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

Mytime Enterprises Limited

Nature of business: Sale of food and beverages and the provision of catering services

Class of share:	% holding	31.3.16 £	31.3.15 £
Ordinary	100		
Aggregate capital and reserves		(15,088)	(80,476)
Profit/(Loss) for the year		<u>65,388</u>	<u>82,999</u>

17. STOCKS

	Group		Company	
	31.3.16 £	31.3.15 £	31.3.16 £	31.3.15 £
Stocks	<u>334,592</u>	<u>386,782</u>	<u>288,580</u>	<u>361,165</u>

Stock amounts recognised within expenditure for the current period are £2,247,821 (2015 - £2,205,680).

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.16 £	31.3.15 £	31.3.16 £	31.3.15 £
Trade debtors	974,823	1,522,591	958,315	1,514,327
Amounts owed by group undertakings	-	-	11,110	27,875
Other debtors	24,677	2,761	24,677	2,761
Deferred tax asset	-	13,902	-	-
Prepayments and accrued income	<u>759,708</u>	<u>717,579</u>	<u>759,708</u>	<u>717,579</u>
	<u>1,759,208</u>	<u>2,256,833</u>	<u>1,753,810</u>	<u>2,262,542</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.16 £	31.3.15 £	31.3.16 £	31.3.15 £
Other loans (see note 21)	146,800	146,800	146,800	146,800
Trade creditors	551,609	536,215	498,488	512,120
Tax	2,446	-	-	-
Social security and other taxes	263,098	258,798	263,098	258,798
V.A.T.	117,575	237,234	117,575	237,234
Other creditors	57,489	62,700	57,489	62,700
Deferred income	1,411,193	1,432,710	1,411,193	1,432,710
Accrued expenses	<u>2,353,895</u>	<u>2,084,411</u>	<u>2,349,395</u>	<u>2,079,911</u>
	<u>4,904,105</u>	<u>4,758,868</u>	<u>4,844,038</u>	<u>4,730,273</u>

Deferred income relates to memberships paid in advance which were received in the current year. The amount deferred at 31 March 2015 has been released to the Statement of Financial Activities in full.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

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

	Group		Company	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Other loans (see note 21)	<u>587,200</u>	<u>587,200</u>	<u>587,200</u>	<u>587,200</u>
	<u>587,200</u>	<u>587,200</u>	<u>587,200</u>	<u>587,200</u>

21. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Amounts falling due within one year on demand:				
Other loans	<u>146,800</u>	<u>146,800</u>	<u>146,800</u>	<u>146,800</u>
Amounts falling due between one and two years:				
Other loans	<u>146,800</u>	<u>146,800</u>	<u>146,800</u>	<u>146,800</u>
Amounts falling due between two and five years:				
Other loans	<u>440,400</u>	<u>440,400</u>	<u>440,400</u>	<u>440,400</u>

22. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be made within the specified periods:

Group and company

	Land and buildings		Equipment	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Amounts to be paid:				
Within one year	378,440	378,440	29,328	20,222
Between one and five years	764,560	764,560	22,700	9,891
In more than five years	<u>2,484,820</u>	<u>2,675,960</u>	<u>-</u>	<u>-</u>
	<u>3,627,820</u>	<u>3,818,960</u>	<u>52,028</u>	<u>30,113</u>

23. PROVISIONS FOR LIABILITIES

Group and company

	31.3.16	31.3.15
	£	£
Provisions	<u>421,984</u>	<u>342,102</u>

The Charitable Company's premises are leased under operating leases. The majority of leases include end of lease rectification clauses which impose certain requirements on the Charitable Company to complete repairs and maintenance or re-decoration activities if required. The Charitable Company provides for repairs and maintenance obligations as it becomes aware of any significant amounts that will be required. The Charitable Company does not provide for amounts where the potential exposure cannot be reliably measured and accordingly does not anticipate potential repairs and maintenance. Additionally the Charitable Company maintains the centres to a high standard and completes any necessary repairs and maintenance on a timely basis, addressing any events that require expenditure throughout the lease period as and when required. Such costs are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

24. EMPLOYEE BENEFIT OBLIGATIONS

The Charitable Company operates defined benefit pension schemes for some employees. The Charitable Company has admitted body status to the pension funds. Contributions to the schemes are charged to the Statements of Financial Activities so as to spread the cost of pensions over employees' working lives with the Charitable Company in such a way that the pension cost is a substantial level percentage of future pensionable payroll.

Actuarial valuations of the schemes are performed by a qualified actuary using the projected unit method. The most recent formal valuations of the schemes were at 31 March 2013 and this has been updated to 31 March 2016.

	Defined benefit pension plans	
	31.3.16	31.3.15
	£	£
Present value of funded obligations	(12,543,000)	(13,273,000)
Fair value of plan assets	<u>11,427,000</u>	<u>11,781,000</u>
	(1,116,000)	(1,492,000)
Present value of unfunded obligations	<u>(20,000)</u>	<u>(22,000)</u>
Deficit	<u>(1,136,000)</u>	<u>(1,514,000)</u>
Net liability	<u>(1,136,000)</u>	<u>(1,514,000)</u>

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

	Defined benefit pension plans	
	31.3.16	31.3.15
	£	£
Current service cost	60,000	63,000
Net interest cost	52,000	40,000
Administration expenses	<u>1,000</u>	<u>1,000</u>
	<u>113,000</u>	<u>104,000</u>
Actual return on plan assets	<u>247,000</u>	<u>1,595,000</u>

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

	Defined benefit pension plans	
	31.3.16	31.3.15
	£	£
Actuarial gains / (losses)	<u>439,000</u>	<u>(556,000)</u>
	<u>439,000</u>	<u>(556,000)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

24. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.16	31.3.15
	£	£
Defined benefit obligation	(13,295,000)	(11,181,000)
Current service cost	(60,000)	(63,000)
Contributions by scheme participants	(13,000)	(17,000)
Interest cost	(461,000)	(499,000)
Re-measurement gains / (losses)	1,071,000	(1,694,000)
Benefits paid	195,000	159,000
	<u>(12,563,000)</u>	<u>(13,295,000)</u>

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

	Defined benefit pension plans	
	31.3.16	31.3.15
	£	£
Fair value of scheme assets	11,781,000	10,274,000
Contributions by employer	52,000	53,000
Contributions by scheme participants	13,000	17,000
Interest on plan assets	409,000	459,000
Re-measurement (losses) / gains	(632,000)	1,138,000
Benefits paid	(195,000)	(159,000)
Administration expenses	(1,000)	(1,000)
	<u>11,427,000</u>	<u>11,781,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.16	31.3.15
Equities	72.20%	73.20%
Bonds	16.30%	16.30%
Cash	1.30%	0.20%
Other	9.40%	9.70%
Property	0.80%	0.60%
	<u>100.00%</u>	<u>100.00%</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

24. EMPLOYEE BENEFIT OBLIGATIONS - continued

Principal actuarial assumptions at the balance sheet date:

	31.3.16	31.3.15
Discount rate	3.6% - 3.8%	3.3% - 3.5%
Future salary increases	3.5% - 4.2%	3.6% - 4.4%
Future pension increases	2.0% - 2.2%	2.1% - 2.5%
Price increases	2.0% - 2.2%	2.1% - 2.5%

The following table sets out the sensitivity analysis produced by the actuary reporting in respect of the London Borough of Bromley Pension Fund:

	Central	+ 0.1% discount rate	+0.1% inflation	1 year increase in life expectancy
	£	£	£	£
Deficit	(890,000)	(675,000)	(1,108,000)	(1,105,000)
Projected service cost for next year	27,000	27,000	28,000	28,000
Projected interest cost for next year	33,000	26,000	42,000	42,000

The following table sets out the sensitivity analysis produced by the actuary reporting in respect of the East Sussex Pension Fund:

	Approximate % increase to Employer Liability	Approximate monetary Amount (£)
0.5% decrease in Real Discount Rate	15%	154,000
1 year increase in member life expectancy	3%	30,000
0.5% increase in the Salary Increase Rate	8%	75,000
0.5% increase in the Pension Increase Rate	7%	74,000

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

	31.3.16	31.3.15	31.3.14	31.3.13	31.3.12
Defined benefit pension plans					
Defined benefit obligation	(12,563,000)	(13,295,000)	(11,181,000)	(11,713,000)	(10,839,000)
Fair value of scheme assets	11,427,000	11,781,000	10,274,000	8,861,000	7,929,000
Deficit	1,136,000	(1,514,000)	(907,000)	(2,852,000)	(2,910,000)
Experience adjustments on scheme assets	-	969,000	1,296,000	669,000	(227,000)
Experience adjustments on scheme liabilities	1,000	-	350,000	-	-

The contract between the Charitable Company and the London Borough of Bromley stipulates that if the contract is not renewed at the termination date of 31 March 2024 then there is a requirement for the Charitable Company to meet any actuarial net pension liability at that date in respect of current and former pensionable employees.

Should the termination of the contract with the London Borough of Bromley be by reason of the Charitable Company's cessation to trade then any net pension liability which is not met by the Charitable Company will pass to the London Borough of Bromley who with the help of the actuary will have power under the regulations to seek additional payments from other participating employers in the London Borough of Bromley Pension Fund in restoring the outstanding deficit.

Employer contribution rates for the year ended 31 March 2017 are LBB 20.0% East Sussex 20.1%.

25. CONTINGENT LIABILITIES

The Charitable Company has contingent liabilities in respect of Performance Guarantees amounting to £549,462 (2015: £468,048).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS**Company**

	Unrestricted fund	Restricted funds	31.3.16 Total funds	31.3.15 Total funds
	£	£	£	£
Fixed assets	9,334,720	-	9,334,720	9,952,186
Investments	1	-	1	1
Current assets	11,037,188	190,824	11,228,012	9,445,734
Current liabilities	(4,844,038)	-	(4,844,038)	(4,730,273)
Long term liabilities	(587,200)	-	(587,200)	(587,200)
Provision for liabilities	(421,984)	-	(421,984)	(342,102)
Pension liability	(1,136,000)	-	(1,136,000)	(1,514,000)
	<u>13,382,687</u>	<u>190,824</u>	<u>13,573,511</u>	<u>12,224,346</u>

27. MOVEMENT IN FUNDS

	At 1.4.15 £	Net movement in funds £	At 31.3.16 £
Unrestricted funds			
General fund	11,727,786	1,654,901	13,382,687
Restricted funds			
Active Lifestyles	67,762	-	67,762
MyFuture	44,353	(5,809)	38,544
Mend BLF	304,351	(304,351)	-
Arts training	59,729	1,985	61,714
Healthy Ageing Programme	9,237	(9,237)	-
Active Bromley - CIF	11,068	2,331	13,399
Get Active	60	9,345	9,405
	<u>496,560</u>	<u>(305,736)</u>	<u>190,824</u>
TOTAL FUNDS	<u>12,224,346</u>	<u>1,349,165</u>	<u>13,573,511</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

27. MOVEMENT IN FUNDS - continued

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

	Income	Expenditure	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	32,510,438	(31,294,537)	439,000	1,654,901
Restricted funds				
MyFuture	20,445	(26,254)	-	(5,809)
Mend BLF	-	(304,351)	-	(304,351)
Arts training	60,889	(58,904)	-	1,985
Healthy Ageing Programme	8,148	(17,385)	-	(9,237)
Active Bromley - CIF	5,701	(3,370)	-	2,331
Get Active	19,851	(10,506)	-	9,345
	115,034	(420,770)	-	(305,736)
TOTAL MOVEMENT IN FUNDS	32,625,472	(31,715,307)	439,000	1,349,165

MyFuture

MyFuture is a Sports & Arts Outreach programme working in 2 target areas of Bromley to provide quality activities for young people aged 11-19. The partnership includes Mytime Active, the London Borough of Bromley, Affinity Sutton Housing Association and the Priory School. The programme offers free activity sessions each week.

Mend BLF

Funded through BIG lottery funds supporting great ideas programme. This project aims to improve the health and wellbeing of children, young people and adults to areas covered by NHS Tayside, NHS Greater Glasgow and Clyde and East Ayrshire.

Arts Training

This is a borough-wide project which gives young people access to a diverse range of creative music-making opportunities. Funders and partners include Youth Music, the Youth Support Programme and Affinity Sutton Housing Association.

Healthy Ageing Programme

A project in partnership with Age Concern, Broomleigh Housing, Bromley PCT and Greenwich Leisure Limited with funding from Sport England. The project aims to increase physical activity levels in the older population through Fit for Life clubs and peer health mentors.

Active Bromley - CIF

A project with Bromley Council with funding from Sport England to contribute to the achievement of the Local Area Agreement target - more people active in Bromley. Project will include the organisation of 3 events per year and a workplace health programme.

Active Lifestyles

Active Lifestyles budget for provision of our referral programmes in partnership with Primary Care Trust.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

28. CAPITAL COMMITMENTS

	Group		Company	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Contracted for but not provided for in the financial statements	-	75,000	-	75,000

29. OTHER CAPITAL EXPENDITURE

Capital expenditure approved but not committed to at the balance sheet date totalled £nil (2015: £129,855).

30. LEGAL STATUS

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

31. ULTIMATE CONTROLLING PARTY

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

32. FIRST TIME ADOPTION OF SORP (FRS 102)

The group and charitable company have adopted the SORP (FRS 102) for the first time in the year ended 31 March 2016. The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below.

a) Changes in accounting policies:

No changes in accounting policies have been made in preparing these financial statements. The existing accounting policies are sufficient to provide financial statements which conform overall to the requirements of the new financial reporting framework.

b) Reconciliation of total charitable company funds:

There have been no adjustments to previously reported total group and charitable company funds at the date of transition to SORP (FRS 102).

c) Reconciliation of comparative period net income / (expenditure):

Adjustments to previously reported net income / (expenditure) in the comparative period were as follows:

	£
Net income / (expenditure) for the year ended 31 March 2015 under SORP (2005)	2,133,017
Change in disclosure of defined benefit pension re-measurements	(169,000)
Net income / (expenditure) for the year ended 31 March 2015 under SORP (FRS 102)	1,964,017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

33. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	31.3.15 Total Funds
	£	£	£
INCOME			
<i>Income from generated funds:</i>			
Investment income	38,315	-	38,315
Commercial trading operations	<u>922,901</u>	<u>-</u>	<u>922,901</u>
	961,216	-	961,216
<i>Income from charitable activities:</i>			
Operation of leisure, recreation sites and health activities	31,232,963	26,268	31,259,231
Other funding	185,347	73,260	258,607
Grants	<u>-</u>	<u>36,638</u>	<u>36,638</u>
	<u>31,418,310</u>	<u>136,166</u>	<u>31,554,476</u>
Total income	<u>32,379,526</u>	<u>136,166</u>	<u>32,515,692</u>
EXPENDITURE			
<i>Costs of generating funds:</i>			
Commercial trading operations	839,902	-	839,902
<i>Expenditure on charitable activities:</i>			
Operation of leisure, recreation sites and health activities	<u>29,602,318</u>	<u>109,455</u>	<u>29,711,773</u>
Total expenditure	<u>30,442,220</u>	<u>109,455</u>	<u>30,551,675</u>
Net income for the year before actuarial gains / (losses) under FRS102	1,937,306	26,711	1,964,017
Re-measurements on defined benefit schemes	<u>(556,000)</u>	<u>-</u>	<u>(556,000)</u>
Net income / (expenditure)	1,381,306	26,711	1,408,017
RECONCILIATION OF FUNDS			
Total funds brought forward	10,346,480	469,849	10,816,329
Total funds carried forward	<u>11,727,786</u>	<u>496,560</u>	<u>12,224,346</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.