

Charity Registration No. 1160374

**COMMUNITY LEISURE SERVICES PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

COMMUNITY LEISURE SERVICES PARTNERSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

J Beavis
T Richardson
H Braband

Charity number

1160374

Principal address

7 The Yard
Pegasus Place
London SE11

Auditor

Alliotts
13-21 High Street
Guildford
GU1 3DL
Guildford
Surrey
GU1 3DL

COMMUNITY LEISURE SERVICES PARTNERSHIP

CONTENTS

	Page
Trustees' report	1 - 3
Independent auditor's report	4 - 5
Statement of financial activities	6
Balance sheet	7
Statement of cash flows	8
Notes to the accounts	9 - 16

COMMUNITY LEISURE SERVICES PARTNERSHIP

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2016

The trustees present their report and accounts for the period ended 31 March 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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)"

Objectives and activities

The charity's objects are:

- A. To provide or assist in the provision of facilities and services for the public benefit for recreational, sporting or other leisure time occupation in the interests of social welfare, health improvement, community development and/or
- B. To promote community participation in healthy activity and/or
- C. To advance the education of the public in the benefit of healthy lifestyles and/or
- D. To advance the arts, culture and heritage and/or
- E. Such other charitable purposes beneficial to the community consistent with the objects above as the trustees shall in their absolute discretion determine.

The charity since its inception has taken on health clubs in Croydon (1,250 members), Wallasey (690 members) and Crosby (1,345 members).

The charity has looked at other opportunities and continues to be active at considering suitable healthy activity across the UK.

The trustees have paid due regard to guidance issued by the Charity Commission in the area of public benefit.

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Achievements and performance

Since its date of constitution the Charity has taken on a Licence to Occupy and Licence to Operate with an owner of a health club in Croydon (March 2015) where the future for the club was very uncertain as the building is subject to planning permission for redevelopment. The club has maintained its membership levels and provided a superb facility for that inner city community.

In June 2015 the Charity has taken on a lease for 2 ladies only health clubs in Liverpool which were facing imminent closure. The clubs were tired and in need of some investment and marketing. Investment has been made in to both clubs and the club membership is growing in line with targets.

Due to the investment in building and marketing there has been a loss this year which has been funded with support from our creditors but the forecast is for a substantial surplus in the next year which will allow the charity to get involved in more projects.

COMMUNITY LEISURE SERVICES PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

At the year end the charity had no restricted reserves and a deficit of £48,857 in unrestricted reserves. The charity had sufficient cash level at the year end, of £23,619, to be able to operate in the short term.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a Charitable Incorporated Organisation (CIO). The charity is governed by a constitution whose only voting members are its charity trustees.

If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The trustees, who are also the directors for the purpose of company law, and who served during the period were:

J Beavis
T Richardson
H Braband

In selecting individual trustees for appointment, the charity trustees must have regard for the skills, knowledge and experience needed for the effective administration of the CIO.

David Cross has resigned as a Trustee after being instrumental in setting it up.

David invited Howard Braband who has a vast experience in health clubs and other leisure activities to join the Trustees which he accepted and his expertise is most welcome.

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 201 day's purchases, based on the average daily amount invoiced by suppliers during the year.

The charity has appointed a Governance Manger (Paul Heppner) to oversee the duties and day to day management of the charity's work. Mr. Heppner has taken responsibility of the charity banking and contractual relationships.

Mr. Heppner reports to the trustees regularly and coordinates the trustee meeting's.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

COMMUNITY LEISURE SERVICES PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.


J Beavis

Trustee

Dated: 15 December 2016

COMMUNITY LEISURE SERVICES PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMMUNITY LEISURE SERVICES PARTNERSHIP

We have audited the financial statements of Community Leisure Services Partnership for the period ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees 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, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity'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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, for the period 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 Charities Act 2011.

COMMUNITY LEISURE SERVICES PARTNERSHIP

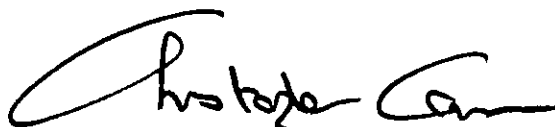
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COMMUNITY LEISURE SERVICES PARTNERSHIP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Mr Christopher Cairns BSc FCA (Senior Statutory Auditor)
for and on behalf of Alliotts



Chartered Accountants
Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Alliotts is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

COMMUNITY LEISURE SERVICES PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2016

		2016
	Notes	
<u>Income from:</u>		
Charitable activities	3	1,319,677
Other trading activities	4	23,545
Total income		<u>1,343,222</u>
<u>Expenditure on:</u>		
Raising funds	5	<u>51,805</u>
Charitable activities	6	<u>1,340,274</u>
Total resources expended		<u>1,392,079</u>
Net expenditure for the year/ Net movement in funds		(48,857)
Fund balances at 6 February 2015		-
Fund balances at 31 March 2016		<u><u>(48,857)</u></u>

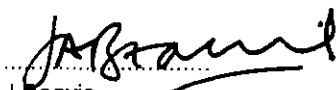
COMMUNITY LEISURE SERVICES PARTNERSHIP

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£
Fixed assets			
Tangible assets	10		3,418
Current assets			
Debtors	12	120,580	
Cash at bank and in hand		23,619	
		<u>144,199</u>	
Creditors: amounts falling due within one year	13	<u>(196,474)</u>	
Net current liabilities			(52,275)
Total assets less current liabilities			<u>(48,857)</u>
Income funds			
Unrestricted funds			(48,857)
			<u>(48,857)</u>

The accounts were approved by the Trustees on 15 December 2016


J Beavis
Trustee

COMMUNITY LEISURE SERVICES PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2016

	Notes	2016 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	17		27,563
Investing activities			
Purchase of tangible fixed assets		(3,944)	
Net cash used in investing activities			(3,944)
Net cash used in financing activities			-
Net increase in cash and cash equivalents			23,619
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			23,619

COMMUNITY LEISURE SERVICES PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

Company Information

Community Leisure Services Partnership is a charitable incorporated organisation registered with the Charity Commission for England and Wales. The registered office is 7 The Yard, Pegasus Place, London SE11 5SD.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Shop income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

The charity receives gym membership subscriptions and these are recognised in the accounts for the periods they relate.

1.5 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to the expenditure and it can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of raising funds are those costs incurred in attracting voluntary income, the costs of trading for fundraising purposes, investment management and certain legal fees.

COMMUNITY LEISURE SERVICES PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Irrecoverable VAT is charged against the category or resources expended for which it was incurred.

Tax recovered from voluntary income received under gift aid is recognised in the Statement of Financial Activities when the income is receivable and is allocated to the income category to which the income relates.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Individual fixed assets costing £100 or more are capitalised at cost.

Tangible fixed assets are depreciated over their estimated useful lives as follows:

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	over length of licence to operate of 2 years
Fixtures and fittings	over length of licence to operate of 2 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

COMMUNITY LEISURE SERVICES PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

COMMUNITY LEISURE SERVICES PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2016

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical Judgements

The key judgement within these accounts relates to the treatment of hired gym kit. There is a hire purchase agreement in place to provide kit for one of the gyms run by the charity. This agreement was taken out by the third party management company that the charity uses to provide facilities management. An agreement is in place between these two parties that the charity will pay back the amounts monthly. Per the original lease agreement ownership of the kit remains with the lessor at all times. Therefore the judgement has been taken to treat the agreement as an operating lease and to not recognise a fixed asset.

3 Charitable activities

2016
£

Membership fees	1,319,677
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4 Other trading activities

2016

Shop income	23,545
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COMMUNITY LEISURE SERVICES PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

5 Raising funds

2016

Fundraising and publicity

Advertising	38,309
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Trading costs

Shop expenditure	13,496
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	51,805
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6 Charitable activities

2016

£

Staff costs	509,327
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Depreciation and impairment	526
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Charitable expenditure	830,421
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	1,340,274
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	1,340,274
--	-----------

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the company's auditor and associates:

2016

£

Audit of the company's annual accounts	5,000
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8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

COMMUNITY LEISURE SERVICES PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

9 Employees

Number of employees

The average monthly number employees during the period was:

2016
Number

45

Employment costs

2016
£

Wages and salaries

489,929

Social security costs

19,398

509,327

10 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
Additions	3,374	570	3,944
At 31 March 2016	3,374	570	3,944
Depreciation and Impairment			
Depreciation charged in the period	307	219	526
At 31 March 2016	307	219	526
Carrying amount			
At 31 March 2016	3,067	351	3,418

11 Financial instruments

2016
£

Carrying amount of financial assets

Debt instruments measured at amortised cost

101,603

Carrying amount of financial liabilities

Measured at amortised cost

89,617

COMMUNITY LEISURE SERVICES PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

12 Debtors

	2016 £
Amounts falling due within one year:	
Trade debtors	1,731
Other debtors	99,872
Prepayments and accrued income	18,977
	<u>120,580</u>

13 Creditors: amounts falling due within one year

	Notes	2016 £
Other taxation and social security		5,273
Deferred income	14	43,875
Trade creditors		88,514
Other creditors		1,103
Accruals and deferred income		57,709
		<u>196,474</u>

14 Deferred income

	2016 £
Other deferred income	<u>43,875</u>

Deferred income is included in the financial statements as follows:

	2016 £
Current liabilities	<u>43,875</u>
	<u>43,875</u>

The deferred income relates to annual membership income which is spread over the period to which it relates.

COMMUNITY LEISURE SERVICES PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

15 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £
Within one year	128,413
Between two and five years	460,147
	<u>588,560</u>

16 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £
Aggregate compensation	11,750

No guarantees have been given or received.

There are balances with associated companies Solutions Limited and Hearts Limited who managed the gyms before the charity took them over. There are some balances owed to these companies by the charity of £65,687 and £34,185, respectively, at the year end.

17 Cash generated from operations

	2016 £
Deficit for the period	(48,857)
Adjustments for:	
Depreciation and impairment of tangible fixed assets	526
Movements in working capital:	
(Increase) in debtors	(120,580)
Increase in creditors	152,599
Increase in deferred income	43,875
Cash generated from/(absorbed by) operations	<u>27,563</u>