

Sentinel Leisure Trust
Company limited by guarantee
Consolidated annual report and financial statements
For the year ended 31 March 2016

Company Registration Number 07521701

Charity Number 1147896

Sentinel Leisure Trust
Company limited by guarantee

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Year ended 31 March 2016

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Sentinel Leisure Trust

Company limited by guarantee

Trustees' Annual Report

Year ended 31 March 2016

The Trustees present their report and audited consolidated financial statements of the charity and group for the year end 31 March 2016 which are also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, Companies Act 2006, the memorandum & articles of association, 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).

Reference and Administrative Details

Charity name Sentinel Leisure Trust

Company number 07521701

Charity number 1147896

Registered address Waterlane Leisure Centre
Water Lane
Lowestoft
Suffolk
NR32 2NH

Trustees

Mr A Wilson-Sutter (Chairman)	
Mr A Cook	
Mrs K Grant	
Mr K Ibbetson	
Mrs J Murray	(appointed 23 November 2015)
Mr J Starling	
Ms K Stenhouse	(appointed 28 January 2016)
Mr C Walsh	(appointed 20 May 2016)
Mr T Wainwright	(appointed 26 August 2015 and resigned 20 May 2016)
Mr C Annison	(appointed 7 September 2015 and resigned 26 October 2015)
Mr N Webb	(appointed 7 September 2015 and resigned 26 October 2015)
Mr P Collecott	(resigned 26 August 2015)

Managing Director Mr S Everett

Bankers National Westminster Bank Plc
53 London Road North
Lowestoft
Suffolk
NR32 1BJ

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

Auditor Lovewell Blake LLP
Chartered Accountants &
Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
Norfolk
NR7 0LB

Sentinel Leisure Trust

Company limited by guarantee

Trustees' Annual Report (continued)

Year ended 31 March 2016

Objectives and activities

The Trust was established for the public benefit, primarily for the community and visitors to Lowestoft and Waveney with the following purposes:

- To provide or assist in the provision of facilities in the interests of social welfare for the recreation or other leisure time occupation in the interest of social welfare; and
- To provide services that promote safe use of facilities and to provide relief to those in need of help where required.
- To provide community participation in all forms of healthy recreation.

During the period the Trust has carried out these objectives through the provision of a range of leisure and recreation services at its main operational facilities of Waterlane Leisure Centre in Lowestoft and Bungay Pool and Gym in Bungay.

The Trustees confirm that they have reviewed the Charity Commission guidelines on public benefit and consider a public benefit is provided through its objects and supported by its vision, aim and objectives.

Objectives

Vision: To ensure that the leisure services delivered contribute directly to:
"Delivering the best quality leisure opportunities for all".

Aim: To provide and maintain financially sustainable, good quality services, that maximise opportunities to participate in leisure activities, across all sectors of the community, whilst balancing the needs of user groups and helping to address health inequalities.

Strategic objectives

1. **Improve performance** by demonstrating value for money to stakeholders, improving service standards and ensuring financial sustainability;
2. **Improve participation** in leisure activities by meeting customer needs;
3. **Promote** services effectively and manage the reputation of the Trust and its partners;
4. **Improve access** to services, providing clear relevant information, effective marketing, appropriate signage and identity that instils a sense of pride;
5. **Develop services** by assisting with new projects, investing in service developments and maintaining good quality services and products.

Sentinel Leisure Trust

Company limited by guarantee

Trustees' Annual Report (continued)

Year ended 31 March 2016

Achievements and Performance

The past twelve month has been a very successful trading period for the Trust.

In 2014/15 the Trust set a 5 year strategic plan to explore new business opportunities to grow income in support of the Trust's 5 year Medium Term Financial Plan.

This year the Trust has delivered against a number of its key objectives and achieved a significant growth in business activity. This has seen a substantial increase in turnover whilst still ensuring correct control on expenditure.

Key achievements of new business growth include

- Successfully winning the Tender for Sports and Leisure Services with Great Yarmouth Borough Council (GYBC), resulting with a 15 year contract with a potential further 15 years.
- Commenced the £2.1m investment and development of Phoenix pool, in partnership with Pulse Fitness and GYBC.
- the management of a new fitness centre and swimming pool in Oulton Broad.
- Successfully tendered to operate Halesworth Campus Leisure Centre and Sports Complex.
- Launched a consultancy company and secured a number of national and local leisure contracts.
- Commenced the operation of an new pool in Stalham with a second swimming pool due to be operational in 2016/17.
- Delivered Sports, Leisure and Play services on behalf of Waveney District Council and Great Yarmouth Borough Council.

However one area of business growth that was expected to be achieved within the financial year was the expansion of beach huts in Pakefield. Although this project is now being delivered and is proving very successful, there was a substantial delay due to agreeing legal contracts that could be taken to market.

Making the most of our charitable position the Trust has continued to grow its delivery of health initiatives and developed partnerships with key local health organisations. This has resulted in over 1,000 health based activities being delivered in the local community.

This Trust has also commenced the delivery of a key Sport England programme which will see over £300,000 of investment in local community based exercise programmes. This again shows the Trusts commitment to improving the health and wellbeing of its local communities.

Financial Review

Principal funding sources

The Trust's principal funding sources are subscriptions and income from casual usage of the leisure facilities managed by the Trust together with funding from its partnerships with Suffolk County Council, Lowestoft College and Lowestoft 6th Form College.

Financial review

The results of the Trust for the period can be seen on pages 8 to 19.

The Trust had a very successful trading period and recorded a surplus of £167,746. This position was achieved through a growth in income across all areas of the group.

Sentinel Leisure Trust

Company limited by guarantee

Trustees' Annual Report (continued)

Year ended 31 March 2016

Financial review (continued)

The Trust recorded significant growth in both Charitable and non-Charitable income sources which covers areas of the activities including, health and fitness, swimming, soft play, sports facility hire, moorings, beach services and consultancy. The Trust achieved a £2,401,063 growth in income, from £2,975,248 in 2014/15, to £5,376,311 in 2015/16.

The Trust has continued to support our key partners to achieve their medium term plans by either reducing the management fee payable to the Trust or increasing the fee payable to the Authority. This position reflects our stance as a partner who continues to support.

Expenditure has increased significantly but in line with expectations to support the projected growth in business. On the commencement of a new 15 year partnership with GYBC, the Trust undertook a restructure to ensure we managed cost control, reduced duplication of work and importantly ensuring resource is allocated to the correct areas of group. Overall expenditure increased by £2,084,797 from £3,123,768 in 2014/15 to £5,208,565 in 2015/16.

With Income increasing by £2,401,063 and expenditure increasing by £2,084,797 the Trusts net improvement in 12 months is £316,266.

Reserves policy

The Trusts reserve policy is set to achieve three times the monthly salary commitment. This currently sits at £750,000. As at the 31 March 2016 the Trust had net current liabilities in excess of net current assets of £297,395 (2015: £375,271).

The Trust medium term financial plan predicts this will be achieved within 4 years.

Going concern

The Trust, through operational profits in 15/16, has achieved a 50% reduction in its balance sheet deficit and through its expansion programme and medium term financial plan projects the deficit to be cleared within 12 months.

The Trust has significant cash resilience and cash flow projections indicate no concern to operations.

The Trust has also expanded and introduced a number of new income streams to enable resilience within the group. This growth has removed the groups' dependency on contract fees from local authority partners and increased organisation resilience.

Plans for the Future

2015/16 has seen successful growth and diversification by the Trust to improve resilience and group surpluses. The focus for the future is to ensure these opportunities continue to grow and develop to ensure maximum potential.

The Trust focus will be on delivering major projects in partnership with our contracting Local Authorities which will see major growth and development in our existing leisure sites. It's anticipated that this focus will support both authorities with their increasing budget challenges.

In addition to these projects the Trust's focus is to work on the following key areas over the coming months:

- . Launch a new education department that will deliver education courses, apprentices and football scholarships throughout the country.
- . Expand on our community health and charity work locally to ensure we deliver our key corporate objectives. This will see greater partnership working with health authorities and the launch of two new schemes, changing lives and making memories.
- . Develop our consultancy company to deliver new contracts both locally and nationally to ensure income growth that will support local investment.

Sentinel Leisure Trust

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Trustees' Annual Report (continued)

Year ended 31 March 2016

Structure, Governance and Management

Governing document

Sentinel Leisure Trust was incorporated on 8 February 2011 and registered with the Charity Commission on 29 June 2012. Sentinel Leisure Trust is a company limited by guarantee and governed by its Memorandum and Articles of Association.

Recruitment and appointment of trustees

Trustees shall be persons through residence, occupation, employment or otherwise have special knowledge of the area of benefit or who are otherwise able by virtue of their personal or professional qualifications to make a contribution to the pursuit of the objects of the charity.

Under the Memorandum and Articles of Association the Board shall consist of at least four individuals and up to eleven. The Board should be comprised of up to nine Community Trustees plus two individuals nominated by the Local Authority.

Trustees are directors of the company for the purpose of company law. All trustees as at the date of this report and whom held office throughout the year are shown on page 1.

Trustee induction and training

On appointment the trustees are provided with:

- The charity's Memorandum and Articles of Association
- 5 year strategy plan and annual business plan
- Key roles in the Company structure
- The Hallmarks of an effective Charity (Charity Commission)
- Trustee person specification

Risk Management

The Trustees have reviewed the major risks to which the Trust is exposed, in particular those associated with its operation and sustainability. This Corporate Risk Register is reviewed monthly by the management team and quarterly by the Board. The Trust is satisfied that there are systems in place or being developed to effectively mitigate those risks.

Organisational Structure

The Trust has a board of trustees who meet monthly and are responsible for the strategic direction and policy of the charity.

Each Trustee has a corporate responsibility and speciality which is aligned to a key area of the business. These areas of responsibility are: Finance, Legal, HR, Operations, Business Development, H&S, Major Projects and Audit and Risk. Each Trustee supports the organisation by offering strategic direction and management with the relevant member of the senior management team responsible for their area of specialism.

The day to day operations of the Trust are managed by the Managing Director with the support of a senior management team comprising the Head of Resources, Head of Operations, Business Development Manager, Sports and Leisure Development Manager and Consultancy Director.

Related parties

Waveney District Council provides funding and facilities to the Trust under the provisions of a lease in conjunction with a funding and management agreement.

Waveney District Council appoint two trustees as set out in the Memorandum and Articles of Association.

The Trust has a wholly owned trading subsidiary, Sentinel Enterprises Limited, which carries out the group's trading activities. All proceeds arising from these activities are donated to the Trust.

Pulse Fitness (T/A Rock Merchants Ltd) are partnered with the Council as preferred leisure development partners. Pulse have contracts at Waterlane Leisure Centre and Bungay Pool and Gym which give them an interest in the financial performance of these facilities in relation to fitness memberships and sales. The Trust benefits from marketing and sales support and lifecycle costs under these contracts.

Suffolk County Council own the Road bridge operated by Sentinel Leisure Trust as part of their Oulton Broad Yacht Station operation. They also own Barnard's Centre Point which Sentinel Leisure Trust operate under a partnership agreement with local colleges.

Great Yarmouth Borough Council provides funding and facilities to the Trust under the provisions of a lease in conjunction with a funding and management agreement.

Sentinel Leisure Trust

Company limited by guarantee

Trustees' Annual Report (continued)

Year ended 31 March 2016

Setting of remuneration for key management personnel

Remuneration for members of the Senior Management Team is set and agreed by the Managing Director and Chairman of the trust in consultation with the Trustee with responsibility for HR or Finance.

Remuneration for the Managing Director is set by the Chairman of the Trust in consultation with the Vice Chairman and either the Trustee with responsibility for HR and Finance.

All posts are determined by comparisons within the industry and local market demands.

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

Auditor

Lovewell Blake LLP are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

Small company provisions

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

Signed on behalf of the Trustees on 28 November 2016

Mr A Wilson-Sutter (Chairman)
Chairman

Sentinel Leisure Trust

Company limited by guarantee

Independent Auditor's Report to the members and trustees of Sentinel Leisure

Year ended 31 March 2016

We have audited the financial statements of Sentinel Leisure Trust for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company 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 Republic of Ireland".

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 and to the charitable company's trustees, as a body in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body 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 fully in the Trustees Responsibilities Statement set out on page 6, the trustees (who are also directors of the charitable company for the purpose of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 Standard for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 parent 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 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

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

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 and the Charities Act 2011 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 parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Mark Proctor FCA DChA (Senior Statutory Auditor)
For and on behalf of
Lovewell Blake LLP
Statutory Auditor
14 December 2016

Bankside 300
Peachman Way
Broadland Business Park
Norwich
Norfolk
NR7 0LB

Sentinel Leisure Trust

Company limited by guarantee

Consolidated Statement of Financial Activities (incorporating income and expenditure account)

Year ended 31 March 2016

	Notes	General Funds	Restricted Funds	2016 Total	2015 Total
		£	£	£	£
Income and endowments from:					
Donations and legacies	3	2,152	-	2,152	21,364
Charitable activities	4	4,308,860	-	4,308,860	2,408,907
Other trading activities	5	1,065,299	-	1,065,299	544,977
Total income and endowments		5,376,311	-	5,376,311	2,975,248
Expenditure on:					
Raising funds	6	586,209	-	586,209	242,665
Charitable activities	7	4,607,456	14,900	4,622,356	2,881,103
Total expenditure		5,193,665	14,900	5,208,565	3,123,768
Net movement in funds and net income / (expenditure) for the year		182,646	(14,900)	167,746	(148,520)
Reconciliation of funds:					
Total funds brought forward		(280,989)	14,900	(266,089)	(117,569)
Total funds carried forward	15	(98,343)	-	(98,343)	(266,089)

All income and expenditure derive from continuing activities.

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

The notes set out on pages 12 - 19 form an integral part of the accounts

Sentinel Leisure Trust
Company limited by guarantee
Consolidated Balance Sheet
Year ended 31 March 2016

	Notes	2016 Charity £	2016 Group £	2015 Charity £	2015 Group £
Fixed Assets					
Tangible assets	10	182,127	188,691	94,409	109,182
Investments	11	1	-	1	-
		<hr/>	<hr/>	<hr/>	<hr/>
		182,128	188,691	94,410	109,182
Current Assets					
Stock		9,439	9,439	8,388	8,388
Debtors	12	182,806	281,532	144,000	147,981
Cash at bank and in hand		305,149	456,933	175,884	416,155
		<hr/>	<hr/>	<hr/>	<hr/>
		497,394	747,904	328,272	572,524
Current Liabilities					
Creditors : Amount falling due within one year	13	(777,865)	(1,034,938)	(688,771)	(947,795)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current liabilities		(280,471)	(287,034)	(360,499)	(375,271)
		<hr/>	<hr/>	<hr/>	<hr/>
Net liabilities		<u>(98,343)</u>	<u>(98,343)</u>	<u>(266,089)</u>	<u>(266,089)</u>
Funds of the charity					
Unrestricted funds	15	(113,243)	(98,343)	(280,989)	(280,989)
Restricted funds	15	14,900	-	14,900	14,900
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds		<u>(98,343)</u>	<u>(98,343)</u>	<u>(266,089)</u>	<u>(266,089)</u>

These financial statements were approved and authorised for issue by the Trustees on the 28 November 2016 and are signed on their behalf by:

Mr A Wilson-Sutter (Chairman)
Trustee

Company registration number: 07521701

The notes set out on pages 12 - 19 form an integral part of the accounts

Sentinel Leisure Trust
Company limited by guarantee
Consolidated statement of cash flows
Year ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Net income/(expenditure) for the year	167,746	(148,520)
<i>Adjustments for:</i>		
Depreciation of tangible assets	42,503	28,892
Loss on disposal of fixed assets	3,336	-
<i>Changes in:</i>		
(increase)/decrease in debtors	(133,551)	(40,522)
increase/(decrease) in creditors	87,143	301,659
(increase)/decrease in stock	(1,051)	262
Net cash from operating activities	166,126	141,771
Cash flows from investing activities		
Purchase of tangible assets	(125,348)	(17,536)
Net cash flow from investing activities	(125,348)	(17,536)
Net increase in cash and cash equivalents	40,778	124,235
Cash and cash equivalents at 1 April 2015	416,155	291,920
Cash and cash equivalents at 31 March 2016	456,933	416,155
Cash and cash equivalents consist of:		
Cash at bank and in hand	456,933	416,155
Cash and cash equivalents at 31 March 2016	456,933	416,155

The notes set out on pages 12 - 19 form an integral part of the accounts

Sentinel Leisure Trust
Company limited by guarantee
Statement of cash flows
Year ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Net income/(expenditure) for the year	167,746	(148,520)
<i>Adjustments for:</i>		
Depreciation of tangible assets	37,630	24,019
<i>Changes in:</i>		
(increase)/decrease in debtors	(38,806)	(80,371)
increase/(decrease) in creditors	89,094	243,821
(increase)/decrease in stock	(1,051)	262
Net cash from operating activities	254,613	39,211
Cash flows from investing activities		
Purchase of tangible assets	(125,348)	(17,536)
Net cash flow from investing activities	(125,348)	(17,536)
Net increase in cash and cash equivalents	129,265	21,675
Cash and cash equivalents at 1 April 2015	175,884	154,209
Cash and cash equivalents at 31 March 2016	305,149	175,884
Cash and cash equivalents consist of:		
Cash at bank and in hand	305,149	175,884
Cash and cash equivalents at 31 March 2016	305,149	175,884

The notes set out on pages 12 - 19 form an integral part of the accounts

Sentinel Leisure Trust

Company limited by guarantee

Notes to the Accounts

Year ended 31 March 2016

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows. These accounting policies have been applied consistently throughout the period.

(a) Basis of accounting

Sentinel Leisure Trust is a charitable company registered in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described on page 2 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include the fair value of certain fixed assets, and in accordance with Statement of Recommended Practice: "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective January 2015), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular sources of income:

- Management fees and subscriptions are included in the period to which they relate.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Expenditure and irrecoverable VAT

Expenditure is recognised as soon as there is a legal or constructive obligation, it is probable that the settlement will be required and the amount of obligation 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.

Expenditure includes VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Raising funds includes direct costs incurred by the group in the raising of funds through non-charitable trading or ancillary primary purpose trading.
- Charitable activities comprises those costs incurred by the Group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Group and include the audit fees and costs linked to the strategic management of the Group.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

(e) Transition to FRS 102

The entity has transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

Sentinel Leisure Trust

Company limited by guarantee

Notes to the Accounts

Year ended 31 March 2016

1 Accounting policies continued

(f) Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- | | |
|---|-------------------------|
| • Office and IT equipment | 8% - 25% straight line |
| • Fixtures, fittings, plant and machinery | 7% to 50% straight line |

(g) Pension scheme

Retirement benefits to employees of the Trust are provided by the Local Government Pension Scheme (LGPS) and through a defined contribution plan.

The LGPS pension costs charged in the Statement of Financial Activities represent the amount of contributions payable to this group deferred benefit scheme. The risk of any deficit in the scheme is borne by Waveney District Council and therefore the scheme has been accounted for as a defined contribution scheme.

(h) Stock

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

(i) Debtors and creditors receivable / 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.

(j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(l) Redundancy

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the charity are accounted for on an accruals basis and included within employee benefits.

(m) Taxation

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

(n) Going concern

2015/16 has seen successful growth and diversification by the Trust to improve resilience and group surpluses. The focus for the future is to ensure these opportunities continue to grow and develop to ensure maximum potential.

As a result of the information provided above and within the Trustees Report, the financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(p) Consolidation

The financial statements consolidate the results of the Trust and its wholly owned subsidiary, Sentinel Enterprises Limited on a line by line basis. A separate Statement of Financial Activities of Income and Expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemption of Section 408 of the Companies Act 2006.

Sentinel Leisure Trust
Company limited by guarantee
Notes to the Accounts
Year ended 31 March 2016

2 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2016 Total £	2015 Total £
Depreciation	42,503	28,892
Auditors remuneration - Audit - current period	12,102	9,323
(inc irrecoverable VAT) - Other professional services	4,420	2,125
Expenditure under operating leases	14,899	5,842
	2016 £	2015 £

3 Income from donations and legacies

Donations	2,152	21,364
	2016 £	2015 £

4 Income from charitable activities

Grants from government or public bodies	56,231	78,254
Leisure activities	3,605,534	2,254,332
Management fees received	515,000	-
Other income	132,095	76,321
	2016 £	2015 £

5 Income from other trading activities

Outdoor service income	327,974	326,071
Rent	12,000	9,134
Consultancy income	401,957	-
Other income	323,368	209,772
	2016 £	2015 £

6 Raising funds

Purchase of goods for resale	34,656	24,610
Food and beverage purchases	45,357	30,697
Salaries and wages	245,769	117,524
Trade refuse	21,833	8,570
Repairs, maintenance and equipment	10,622	14,946
Rent, rates and utilities	43,319	37,504
Cleaning	827	866
Telephone and postage	171	3,075
Consultancy costs	175,446	-
Depreciation	4,873	4,873
Loss on disposal of fixed assets	3,336	-
	2016 £	2015 £

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Year ended 31 March 2016

	2016	2015
	£	£
7 Charitable activities		
Salaries and wages	2,429,211	1,431,429
Other staff costs including training and uniforms	40,600	16,235
Management fees (including Waveney District Council)	853,681	799,106
Vehicle and travel costs	-	785
Repairs, maintenance and equipment	285,842	134,177
Rent, rates and utilities	623,308	286,640
Insurance	68,140	46,848
Cleaning	64,266	29,715
Telephone and postage	37,708	15,626
Advertising and marketing	44,180	28,160
Administration costs	19,886	5,693
Bank and cash collection charges	33,427	21,662
Subscriptions and licences	49,146	22,681
Depreciation	37,630	24,019
Other costs	18,809	6,879
Governance costs (note 8)	16,522	11,448
	4,622,356	2,881,103
8 Governance costs		
	£	£
Auditor fees Audit	12,102	9,323
Other fees	4,420	2,125
	16,522	11,448
9 Staff costs and Trustee Remuneration		
	£	£
The aggregate payroll costs were:		
Wages and salaries	2,380,240	1,361,883
Social security costs	111,329	62,953
Pension contributions	183,411	124,117
	2,674,980	1,548,953
Particulars of employees:		
The average number of staff employed by the charity during the period amounted to:		
	2016	2015
	No	No
Waterlane	99	101
Bungay Pool and Gym	50	31
Barnards Centre Point	3	3
Dip Farm	2	2
Yacht stations	6	7
Beach shops and huts (seasonal)	1	1
Management and administration	20	15
Marina Leisure & Fitness Centre	42	-
Phoenix Pool & Gym	11	-
	234	160
The number of employees that received emoluments in the following bands:		
£60,000 - £69,999	1	-

The Trustees were not entitled to or received any remuneration. No expenses have been reimbursed by the Trust to the Trustees.

The key management personnel of the parent charity, the Trust, comprise the Managing Director, Director of Resources, Director of Operations, Director of Business Development, Consultancy Director and the Sport & Leisure Development Manager of Sentinel Leisure Trust. The total employee benefits of the key management personnel of the Trust were £331,076 (2015: £242,921).

Total termination payments in the year amount to £10,719 (2015: £nil) and relate to the staffing restructure of the Trust following the acquisition of two leisure centres administered by Great Yarmouth Borough Council.

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Year ended 31 March 2016

10 Tangible Fixed Assets - Group			
	Office Equipment	Fixtures, Fittings Plant & Machinery	Total £
Cost			
As at 1 April 2015	50,577	137,753	188,330
Additions	17,919	107,429	125,348
Disposals	-	(16,679)	(16,679)
As at 31 March 2016	68,496	228,503	296,999
Depreciation			
As at 1 April 2015	23,802	55,346	79,148
Charge for the period	11,919	30,584	42,503
Depreciation on disposals	-	(13,343)	(13,343)
As at 31 March 2016	35,721	72,587	108,308
Net book value			
As at 31 March 2016	32,775	155,916	188,691
As at 31 March 2015	26,775	82,407	109,182
Tangible Fixed Assets - Charity			
	Office Equipment	Fixtures, Fittings Plant & Machinery	Total £
Cost			
As at 1 April 2015	50,577	108,754	159,331
Additions	17,919	107,429	125,348
As at 31 March 2016	68,496	216,183	284,679
Depreciation			
As at 1 April 2015	23,802	41,120	64,922
Charge for the period	11,919	25,711	37,630
As at 31 March 2016	35,721	66,831	102,552
Net book value			
As at 31 March 2016	32,775	149,352	182,127
As at 31 March 2015	26,775	67,634	94,409

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11 Investments			2016 Charity £	2016 Group £	2015 Charity £	2015 Group £
Subsidiary undertakings:			1	-	1	-
Name of company	Nature of business	% owned	Results for the period			
				2016 £	2015 £	
Sentinel Enterprises Limited	Commercial trading	100	Turnover	800,870	388,844	
Company registration number: 07523567			Expenditure	(510,710)	(204,421)	
			Gift Aid to parent	(290,160)	(184,423)	
			Net result	-	-	
			Net assets	1	1	
Registered address: Sentinel Enterprises Limited, Water Lane, Lowestoft, Suffolk, NR32 2NH						
12 Debtors			2016 Charity £	2016 Group £	2015 Charity £	2015 Group £
Trade debtors			120,894	201,868	70,006	92,085
Other debtors			44,965	44,965	7,825	7,825
Sentinel Enterprises Limited			-	-	38,838	-
Prepayments and accrued income			16,947	34,699	27,331	48,071
			182,806	281,532	144,000	147,981
13 Creditors: Amounts falling due within one year			2016 Charity £	2016 Group £	2015 Charity £	2015 Group £
Trade creditors			387,614	421,066	394,660	418,677
Tax and social security			29,455	29,455	19,034	19,034
Other creditors			25,217	35,454	17,598	20,103
Sentinel Enterprises Limited			25,589	-	-	-
Accruals and deferred income			269,747	508,720	195,936	428,438
VAT			40,243	40,243	61,543	61,543
			777,865	1,034,938	688,771	947,795
Deferred income						
Deferred income brought forward			112,497	341,246	135,409	354,634
Income released in the year			(112,497)	(341,246)	(76,957)	(296,182)
Income deferred in the year			107,960	337,025	54,045	282,794
Deferred income carried forward			107,960	337,025	112,497	341,246

Income has been deferred to recognise the membership income in the correct periods and also Beach Hut and Mooring lease income.

14 Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

		Assets other than land & buildings			
		2016 Charity £	2016 Group £	2015 Charity £	2015 Group £
Payments due:					
Not later than one year		17,399	17,399	5,842	5,842
Later than one year and not later than five years		47,983	47,983	10,711	10,711
Later than five years		92,500	92,500	-	-
		157,882	157,882	16,553	16,553

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15 Funds	At 1 April 2015	Incoming resources	Resources expended	Gains and Losses	At 31 March 2016
	£	£	£	£	£
Unrestricted funds					
General funds	(280,989)	5,355,626	(5,193,665)	-	(119,028)
Designated - GYBC surplus	-	5,162	-	-	5,162
Designated - LPB surplus	-	5,162	-	-	5,162
Restricted funds					
East Coast Community Healthcare	14,900	-	(14,900)	-	-
Activities unlimited - Trust	-	10,361	-	-	10,361
	<u>(266,089)</u>	<u>5,376,311</u>	<u>(5,208,565)</u>	<u>-</u>	<u>(98,343)</u>

GYBC surplus fund is a portion of the profits made on GYBC centres designated for ongoing maintenance costs.

LPB surplus fund is a portion of the profits made on GYBC centres designated for the leisure projects board.

East Coast Community Healthcare is a contribution towards the functional training health referral scheme.

Activities unlimited is funding received to support community based leisure activities.

Funds are represented by the following assets:

	Unrestricted Funds	Restricted Funds	2016 Total	2015 Total
	£	£	£	£
Tangible assets:	188,691	-	188,691	109,182
Stock	9,439	-	9,439	8,388
Debtors	281,532	-	281,532	147,981
Cash at bank	446,572	10,361	456,933	416,155
Creditors : Due within one year	(1,034,938)	-	(1,034,938)	(947,795)
	<u>(108,704)</u>	<u>10,361</u>	<u>(98,343)</u>	<u>(266,089)</u>

16 Related party transactions

During the year, the Trust had transactions with Waveney District Council and Great Yarmouth Borough Council, public sector bodies whose various leisure facilities are operated by the Trust.

During the year, the Trust received grant income amounting to £Nil from Waveney District Council (2015: £256,000) and made sales amounting to £386,224 (2015: £Nil). The amount included within debtors at the year end in respect of these grants and sales were £52,636 (2015: £Nil).

During the year, the Trust also made purchases amounting to £387,535 in relation to a charge for the gym facilities owned by Waveney District Council. The purchase ledger balance at the year end was £224,491 (2015: £309,081).

During the year, the Trust received management fee and consultancy income from Great Yarmouth Borough Council amounting to £641,593 (2015: £Nil). The amount included within debtors at the year end in respect of this income was £7,768 (2015: £Nil).

During the year, the Trust also made purchases amounting to £6,281 (2015: £Nil) in relation to a charge for the gym facilities owned by GYBC. The purchase ledger balance at the year end was £Nil (2015: £Nil).

17 Company limited by guarantee

The Trust is a company limited by guarantee. Each member of the company undertakes to contribute such amount (not exceeding £1) as may be required in the event of winding up.

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Year ended 31 March 2016

18 Results of Sentinel Leisure Trust

Net incoming resources (including gift aid from subsidiary) of £167,746 (2015: outgoing resources of £148,520) have been recognised in the accounts. No separate income and expenditure account has been prepared for the Charity. During the year, the charity made a deficit of £155,222 (2015: £332,943). The charities are not required to produce their own Statement of Financial Activities because of the exemption provision in Section 408 of the Companies Act 2006.

19 Financial instruments

	2016 Charity £	2016 Group £	2015 Charity £	2015 Group £
The carrying amounts of the charity's financial instruments are as follows:				
Financial assets				
Financial instruments that are debt instruments measured at amortised cost	165,859	246,833	116,669	99,910
Financial liabilities				
Financial liabilities measured at amortised cost	(600,207)	(628,215)	(495,697)	(525,972)

20 First time adoption of SORP (FRS 102)

The group has adopted the SORP (FRS 102) for the first time in the year ended 31 March 2016. There were no transitional adjustments required.