

REGISTERED COMPANY NUMBER: 9204269 (England and Wales)
REGISTERED CHARITY NUMBER: 1163564

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STRATEGIC REPORT, REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 MARCH 2017

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SOUTH DOWNS LEISURE
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CHAIR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

We are delighted to report that the second year operating as South Downs Leisure has been a success building on our efforts of the first year. This was down to the huge support provided by staff teams and trustees. We are also grateful for the ongoing support of the Council. In this respect, we would like to thank our outgoing Council trustee, Councillor Diane Guest for all her support whilst on the Board and are delighted to welcome two new council appointees to the Board, Councillor Lionel Harman and Councillor Clive Roberts.

Over the first two years we have worked to develop robust systems of governance for South Downs Leisure with the Trust building on strong reserves established during year one.

During 2016-17 we have continued to invest in our facilities and services. We have completed a number of large projects which include:

- £240k Fitness Suite and changing room refurbishment at WLC and refurbishment of the weights Room
- £230k on hot water pipe system at Worthing Leisure Centre
- £150k Fitness equipment refurbishment at Splashpoint
- £165k Sports Hall and studio flooring and decoration (£70K funded by Badminton England, £12K SDL, £80K WBC).
- £58k on a new financial management system
- £30k on a new floor within Splashpoint Fitness Suite
- £3k office refurbishment at Worthing Leisure Centre
- £10k on a new CCTV system at Worthing Leisure Centre
- £10k WIFI replacement at Splashpoint Leisure Centre
- Outsourcing of Field Place catering to external contractors

Total South Downs Leisure Investment: £540k.

During 2017-18 the following works will be completed:

- £40k new windows in the café at Worthing Leisure Centre
- £20K acoustic sound proofing at Splashpoint
- £158K wedding gardens
- £134k athletics track refurbishment (funded by WBC)
- £7k on showers and tiling for male changing room at Davison Leisure Centre (60% to be funded by Davison Leisure Centre; 40% to be funded by WSCC)
- Refurbishment of Field Place Manor House tennis courts (LTA bid)

South Downs Leisure has a strong and talented work force and in order to ensure ongoing success, we have invested in both management and mentoring training. Additionally, we continue to roll out both mental health and dementia training (thanks to our relationships with both MIND and Dementia Alliance).

In addition, we continue to develop new wellbeing partnerships and have employed a Health and Wellbeing Manager to assist us with this. This appointment will ensure ongoing strong links with Public Health, the Council's wellbeing team and excellent relations with partners such as the Aldingbourne Trust, MIND and Guildcare. We have also built on the success of last year's GreenDreams festival with over 1000 visitors looking to get involved in local 'green' initiatives. This initiative is in partnership with a range of community and statutory organisations as well as local private business. South Downs Leisure will continue to support such initiatives which help to promote the work of these organisations as well as helping to develop strong cross sector working.

We continuously adapt to a changing market place and our programming, competitive pricing, centre development, strong focus on customer care and quality services ensures that we stay viable and offer the best choices and value for money to the community.

Finally, we will always have an innovative approach and look to see how we might strengthen and broaden our services and the activities on offer. Where appropriate, we will explore new business opportunities in partnership with others. Our principle and driving aim is to provide good quality services that are accessible and relevant to the communities we work with.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statement for the year ending 31 March 2017.

REFERENCE & ADMINISTRATIVE DETAILS

Name of Charity

South Downs Leisure (SDL)

Name of subsidiary

South Downs Leisure Enterprise (SDLE)

Registered company number

SDL 9204269

SDLE 9261501

Registered charity Number

1163564

Registered Office

Field Place Manor House, The Boulevard, Worthing, West Sussex, BN13 1NP

Telephone & Website

01903 905050

www.southdownsleisure.co.uk

Auditors

McCabe Ford Williams

Statutory Auditors and Chartered Accountants

Bank Chambers, 1 Central Avenue, Sittingbourne, Kent, ME10 4AE

Bankers

Lloyds Banking Group

City Office

PO Box 72, Bailey Drive, Gillingham Business Park, ME8 0LS

Solicitors

Joanna Bussell

Winckworth Sherwood

Minerva House, 5 Montague Close, London, SE1 9BB

Trustees

Appointed

Resigned

J Le Seuer (Chair)	5 th Feb 2015	
J Garner	5 th Feb 2015	
Z Smith	5 th Feb 2015	
D Fleming (V. Chair)	5 th Feb 2015	
G Jackson (V. Chair)	5 th Feb 2015	
K Von Habsburg	5 th Feb 2015	
J Lawrence Hall	5 th Feb 2015	
S Smith	3 rd Nov 2015	
D Guest	9 th Feb 2016	
L Proudfoot	5 th Feb 2015	10 th May 2016
J Gleeson	5 th Feb 2015	18 th Aug 2016
L. Harman	7 July 2016	
C Hunter	28 Feb 2017	

Clive Roberts became a local authority trustee in June 2017, replacing Diane Guest.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

REFERENCE & ADMINISTRATIVE DETAILS - continued

Lionel Harman became a Local Authority trustee in July 2016, replacing Luke Proudfoot.

STRUCTURE, GOVERNANCE AND MANAGEMENT

South Downs Leisure is a company limited by guarantee and 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.

Charitable status was applied for following the incorporation of the Trust on 4th September 2014 and was awarded shortly after the Trust commenced trading on 1st May 2015.

Recruitment & Appointment of Trustees

Unless otherwise determined by the Company, The Board shall consist of at least three and not more than eleven individuals comprised as follows:

- Up to 8 Community Trustees
- Up to 2 Local Authority Trustees
- Up to One Employee Trustee

Community Trustees will always be a majority on the Board.

Recruitment of new Community Trustees will be subject to general advertisement and approval of the Board in accordance with the Articles of Association. Any such advert will highlight relevant skills and experience that are deemed appropriate to compliment the current Board. No Community Trustees will be required to retire for the first three years but after this period in 2018 one third of the Community Trustees shall reviewed annually on a rolling basis.

New community Trustees are recruited in accordance with the Boards agreement and with our Articles of Association. We will always look to complement and strengthen the skills and experience of the Trustee team on the Board. Community Trustees are appointed for three years with membership being reviewed annually from 2018 when the Trust will be three years old.

Recruitment of the employee Trustee was initially by appointment by the senior management team in accordance with the Articles of Association but from 2016 this was changed to election by employees as agreed by the Board.

The Local Authority confirms its nominations and appointments as and when Local Authority vacancies arise.

Organisational Structure

The current Board consists of eight community Trustee positions providing a range of experience and professional expertise.

Jerry Le Sueur is Chair with Gillian Jackson and David Fleming acting as Vice Chairs.

We had two sub groups which meet throughout the year to support the Board:

Finance

Gillian Jackson, Jerry Le Sueur, David Fleming

HR

Zoe Smith, Joanne Lawrence Hall, Cathy Hunter.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Organisational Structure - continued

Enterprise Directors

Joanne Lawrence Hall, Kris Von Habsburg, Duncan Anderson

We held the following meetings for the period ending 31st March 2017

- 5 x Board Meetings
- 6 x Finance Meetings
- 2 x HR Meetings
- 5 x Enterprise Meeting

To facilitate the effective operation of the Charity the Board has delegated the responsibility of administering the Charity to a Senior Management team:

- Chief Executive Officer
- Director of Finance
- Director of Business Development
- Director of Operations
- Human Resources Manager

Risk Management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and ensure appropriate controls are in place. A Risk report is part of each Board agenda.

The following initiatives have been implemented to reduce risk and improve risk management.

- A risk report at each board meeting
- A SWOT analysis conducted annually to identify weaknesses and threats
- A calendar of audits which include Health & Safety, Financial, Quality and Food & Beverage audits.
- We conduct Net Promoter Score surveys and Mystery Visits with customers to ensure we are delivering our service to expectation.
- Affiliation to the Quest Scheme to maintain high standards across all sections of our business.

Health and Safety

South Downs Leisure is committed to embedding a culture of proactive health and safety management throughout the organisation. The Operations Director oversees regular cross-site meetings with the Facility Managers and we aim for each site to have an appointed NEBOSH (The National Examination Board in Occupational Safety and Health) representative in this area supported by IOSH (Institution of Occupational Safety and Health) trained duty staff. All staff receive mandatory H and S training as part of their induction process. In 2016/17 a target of 90% for the external Health and Safety audit was set. The 4 sites audited in October 2017 achieved scores of:

WLC: 90% SPLC: 92% DLC: 88% FPMH: 90%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

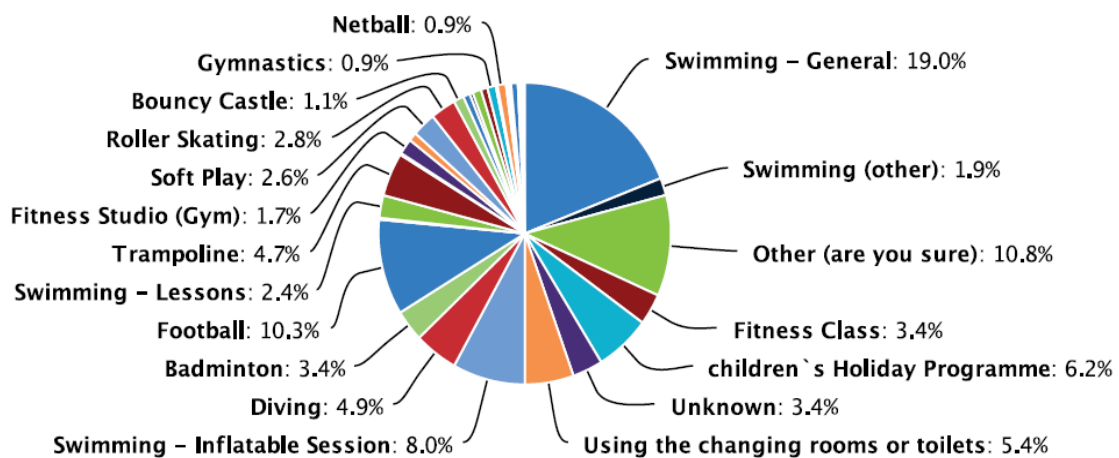
STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Organisational Structure - continued

Over the 12-month trading period 586 accidents were reported across the 5 facilities. This figure is below the industry standard benchmark indicator which is 5 per 10,000. We recognise that accidents are inevitable, but with regular monitoring and an active risk reduction policy, we aim to minimise the risk to both staff and the customers who visit our facilities.

Accident reporting by activity is detailed as below:

Accident Report – Activity



South Downs Leisure retains the services of Right Directions; a recognised industry leader in the Health and Safety field. This provides the group with up-to-date information and changes in legislation, together with a calendar of audits, advice and support in respect of litigation claims.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charitable company are:

- To provide or assist in the provision of both indoor and outdoor facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship or social circumstances or to the public at large with the object of improving their conditions of life, and/or
- To promote community participation in healthy recreational activities, and/or
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the condition of life for all those who use the facilities, and/or
- To promote the education of the public through the provision of facilities for performing arts, and/or
- Such other charitable purposes as the Trustees in their absolute discretion may determine.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

OBJECTIVES AND ACTIVITIES (continued)

Public benefit

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 this guidance when reviewing our business plan and planning new activities for the future

Our Vision and Mission

The Trust established a Vision, Mission Statement and Values outlined below with our Vision reflecting the UK Active National agenda.

OUR VISION

More People, More Active, More Often

MISSION

To deliver an inclusive range of health and wellbeing initiatives whilst providing a clean safe and happy leisure experience.

OUR VALUES

Integrity

We will be open, honest and friendly when communicating with customers and partners treating everyone with respect.

Equality, diversity and inclusion

We aim to ensure that the opportunities the Trust provides are accessible, are available on a non-discriminatory basis and provide maximum health and wellbeing benefits for all.

Continuous Improvement

We will strive to make the experience of users and visitors better by continually reviewing our activities and procedures.

Partnership working

We will develop and sustain strong and effective partnerships with local and national organisations in pursuit of our vision: More People, More Active, More Often.

Innovation

We will explore the introduction of new products and services, driven by technology, industry research and best practice.

Staffing

We will ensure that all our staff are professionally qualified and/or appropriately trained to deliver the service required and respond effectively and quickly to customer enquiries.

Environmental awareness

We will endeavour to be an environmentally conscious organisation and will continually review our services to ensure best practice.

A Strong Board

Selection and recruitment of the board was planned with a clear vision to provide a good range of interested, articulate and passionate volunteers with a strong mix of experience, age and gender. The successful recruitment culminated in 8 community trustees with a blend of professional backgrounds in finance, legal, Leisure, Public Health and Food & Beverage.

Over the past year the Board has developed a deepening understanding of the aims and objectives of the Trust and provide strong, but challenging support and governance. Although not a requirement, all the Trustees are currently residents of the Borough.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

OBJECTIVES AND ACTIVITIES (continued)

Senior Management Team

The Senior Management team of four is led by the Chief Executive and includes Three Directors: a Financial Director, Operations Director and Business Development Director. The Directors manage a team of staff that sit on SMT to include four Facility Managers, Group Fitness Manager, Group Sales Manager, Group Marketing Manager, Health and Wellbeing Manager and a HR Manager.

Each of these managers sit on various sub groups that deliver the business and feed back into the business plan. These sub groups are:

- Finance
- Staff Development
- Events
- Weddings
- Health & Wellbeing
- Maintenance
- Environment and sustainability
- FIT4
- IT
- Food & Beverage
- Health & Safety
- Customer Service

Training

We are committed to understanding the sector we operate in and the local and national agenda. To achieve this we must ensure staff have every opportunity to attend conferences and seminars and attend Continuous Professional Development courses.

We have committed to funding CIMSPA membership, which is our Chartered Institute, and the Chief Executive is also a long term Secretary of South East Leisure Centre Operators networking group.

We have also linked up with Educare to provide online courses for new and current staff with over 150 licenses.

The Board agreed to increase the training budget in line with cost of living.

We are committed to maintaining this budget for the future and looking to continue with the mentoring scheme and management training. Courses have been arranged with MIND for stress and mental health wellbeing, internal manual handling and health and safety level 2 courses.

Workforce Make Up

The total workforce at the time of TUPE was 367 employees. This has risen by 25% to 460 total employees in the first year. Currently the total for March/April 2017 is 446 which is a 3% decrease on last year's figures. This is due to two factors, taking off the casual employees who have not worked within the organisation for three months and employees holding more than one post.

Gender Mix

As at April 2017:

Women employees: 280

Male employees: 166

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

OBJECTIVES AND ACTIVITIES – continued

Gender Pay Gap Reporting

On 6 April 2017, new regulations came into force requiring organisations with 250 or more employees to publish annual reports containing detailed information regarding the Gender Pay Gap (including bonus pay) between men and women across their workforce. The first Gender Pay Reports will be due by April 2018 and must be made publicly available on a dedicated Government website as well as the employer's own website.

The reporting is done on posts and not people and the table below is a snapshot of August 2017.

South Downs Leisure have not reported on bonuses because as an organisation we do not give bonuses.

Gender Pay Gap Data – August 2017						
	Male			Female		
	Number	Mean	Median	Number	Mean	Median
Whole Organisation	306	£9.99	£15.98	470	£10.79	£12.34
Quartile 1	66	£18.12	£19.36	125	£18.40	£19.36
Quartile 2	76	£10.08	£9.13	119	£9.97	£8.94
Quartile 3	77	£7.63	£7.53	117	£7.38	£7.64
Quartile 4	86	£6.59	£7.05	109	£6.12	£7.05

Quartile 1 - is high because it is predominately made up of female Group Exercise Coaches.

Quartile 2 and 3 as expected because females predominately gravitate towards the part time roles e.g. reception, creche, café and leisure assistants.

Quartile 4 – This is made up of the Leisure Assistants, Lifeguards, Holiday Programme Assistants which are graded bottom of scale 1 or National Minimum Wage.

In summary as an organisation we are proud to report that there isn't a huge discrepancy between male and female pay.

The area we need to address moving forward is the number of females to males in the lower quartiles (3 and 4). However, this tends to be a national phenomenon because females tend to gravitate towards these roles due to child care responsibilities as these are our more casual and flexible posts.

The gender pay gap report next year will be taken from March when the staffing levels are at their lowest and in August when the staffing levels are at their highest to get a more balanced picture.

Sickness

Total sickness for 2016/17 amounted to 4,655.79 hours. Which as a percentage of total hours is 2.4%. This percentage mirrors the SPORTA 2015 HR survey (surveying sickness rates within 120 Trusts in the UK).

Staff Turnover

Average staff turnover rates for the year are 23% albeit some of these will be existing staff changing posts.

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REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES – continued

Disability

We have been awarded recognition on the 2 ticks disability scheme and ask all candidates at the time of application to ensure that we guarantee them interviews if they meet the essential criteria when shortlisting.

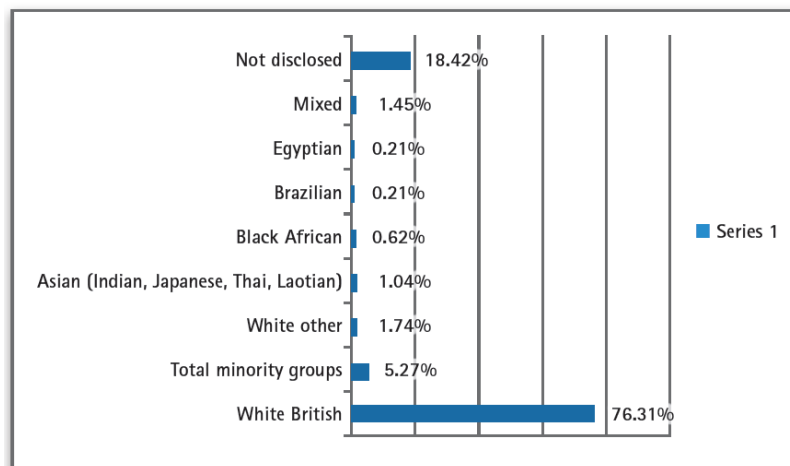
We have both the Employee Assistance Scheme and a contract with an Occupational Health Service through Portsmouth Hospital to support both people with Long Term Sickness and Disabilities as well as employees who are caring for family members with Disabilities.

All Staff	Male	Female
5	1	4

We are aware of other employees who could fall under the criteria of disability with regards to the Equality Act 2010 but only 5 people have completed this on their personal details form.

Ethnicity

The makeup of the workforce is as shown below.



When comparing this to the Census data held for Worthing in 2011, the largest group was recorded as White British to 76.31% and total minority groups 5.27%. 10% of our employees who do not live within Worthing but commute to work so it is difficult to match the staff demographic to the Census data purely held for Worthing.

We have an equalities policy and staff undertake training via an online training programme, as part of their induction training on Equalities and Diversity.

Continuous Improvement

A key to the success of South Downs Leisure is in the desire to improve, reinvest and be at the forefront of new initiatives. We actively support CIMSPA membership (the Chartered Institute for the Management of Sport and Physical Activity) and the external assessment process "Quest" which is the sport and leisure industry quality accreditation to ensure that operators enhance, improve and continue to develop the quality of service offered.

In addition to QUEST and our phone monitoring, South Downs Leisure undertake a number of internal and external audits to benchmark against the sector, past performance and also to set targets for a number of areas of the business. Please see table below.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

OBJECTIVES AND ACTIVITIES – continued

Continuous Improvement - continued

Audits	2014	2015	2016	Targets 2017	Actual 2017
F&B Worthing LC	N/A	85%	92%	90%	98%
F&B Splashpoint	N/A	90%	96%	90%	99%
F&B Field Place	N/A	79%	91%	90%	90%
Management Audit WLC	N/A	69%	78%	80%	80%
Management Audit SP	N/A	73%	75%	80%	89%
Management Audit FP	N/A	70%	68%	80%	84%
Management Audit DLC	N/A	64%	75%	80%	77%
Quality Audits Worthing LC	63%	75%	88%	85%	92%
Quality Audits Splashpoint	69%	85%	90%	85%	93%
Quality Audits Field Place	65%	73%	78%	85%	91%
Quality Audits Davison LC	85%	91%	88%	85%	91%
H&S Audit Worthing LC	75%	84%	90%	92%	91%
H&S Audit Splashpoint	74%	90%	92%	92%	93%
H&S Audit Field Place	86%	92%	90%	92%	94%
H&S Audit Davison LC	85%	91%	88%	92%	86%
NPS Worthing LC	31%	31%	43%	35%	38%
NPS Splashpoint	23%	19%	30%	35%	39%
NPS Group	25%	23%	35%	35%	39%
Worthing LC Quest 2017	Good	Good	Very Good	Very Good	Very Good
Splashpoint Quest 2017	Good	Good	Apr-17	Very Good	Excellent
Field Place Quest 2017	Good	Good	Very Good	Very Good	Very Good
Davison LC Quest 2017	Accreditation	Accreditation	Jul-17	Accreditation	Very Good

KEY: ■ Achieved target ■ Within 15% of target ■ 15%> below target

Customer Satisfaction

South Downs Leisure recognises that the customer is at the heart of the business and continually monitors satisfaction ratings using the “Net Promoter Score” system. NPS is a management tool that can be used to gauge the loyalty of an organisation’s customer relationships. It serves as an alternative to traditional customer satisfaction research and has been adopted with more than two thirds of Fortune 1000 companies as well as many of the leisure industry providers. NPS is calculated based on responses to a single question:

How likely is it that you would recommend our company/product/service to a friend or colleague?

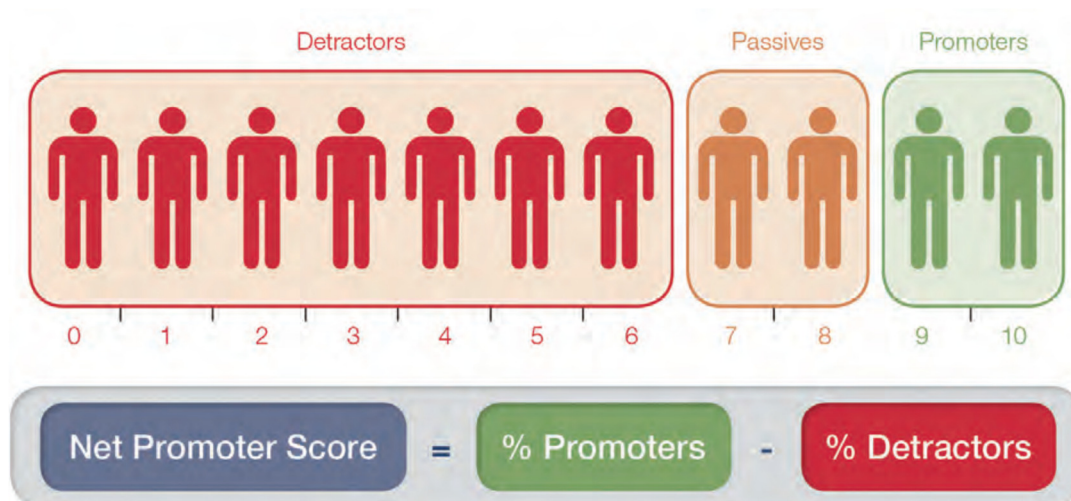
The scoring for this answer is based on a 0 to 10 scale.

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REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES – continued

Customer Satisfaction - continued



Those who respond with a score of 9 -10 are called Promoters, those who respond with a score of 0 to 6 are labelled Detractors. Responses of 7 and 8 are labelled Passives.

The Net Promoter Score is calculated by subtracting the percentage of customers who are Detractors from the percentage of customers who are Promoters. In 2016/17 1775 members were surveyed. The results are as below for UK and South East Leisure Trusts.

In 2015/16 1775 members were surveyed. The results below:

	Takers	Promoters	Detractors	NPS
WLC NPS	702	56%	13%	43%
SP NPS	1073	52%	19%	33%
SDL NPS	1775	54%	17%	37%
Industry (SE)	18913	47%	23%	24%
Industry (UK)	51835	54%	19%	35%

The annual average of 37% is ahead of the both the regional and national comparators, but we are always looking to improve this rating by achieving a higher level of consistency, particularly in the areas of reactive and planned maintenance and also general cleanliness. Parking and general capacity issues remain a consistent negative amongst Detractors, with value for money and staff friendliness a recurring positive for Promoters.

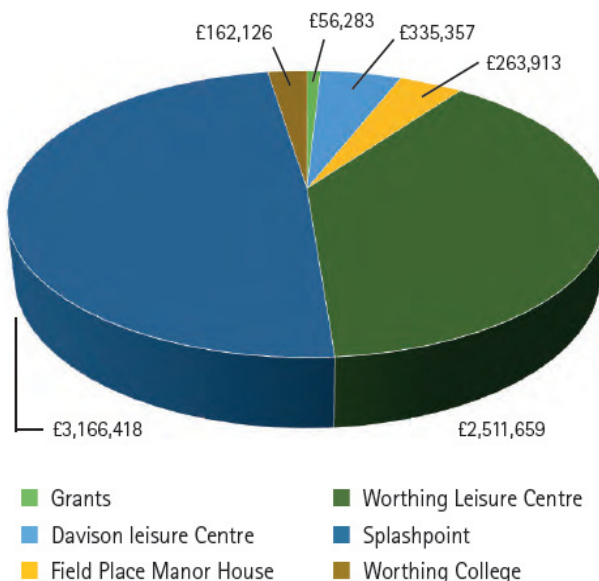
REPORT OF THE TRUSTEES
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FINANCIAL REVIEW

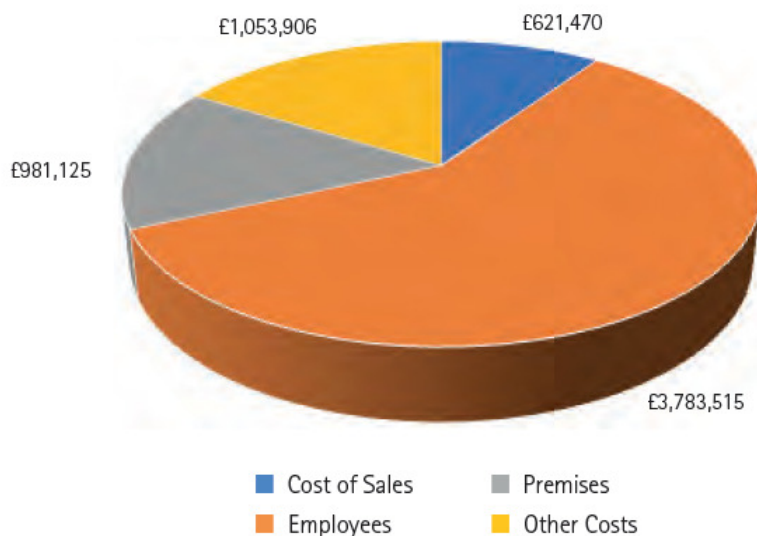
The Trust was granted a 25 year management agreement which was broken down into five year funding arrangement. By the end of year five the Trust were anticipating achieving a Risk Reserve of £560,000. The second year has been a more modest success than the first year. The financial management in the period of this report has been monitored and supported by the Financial Sub Group and the Board. One of our key targets is to maintain staff costs against income to stay below 54% which we achieved again in 2016-2017. 2013-2015 was when we were under Council operation.

The following charts show an outline of which sites our income came from and how it was spent.

Where our income came from in 2016-2017

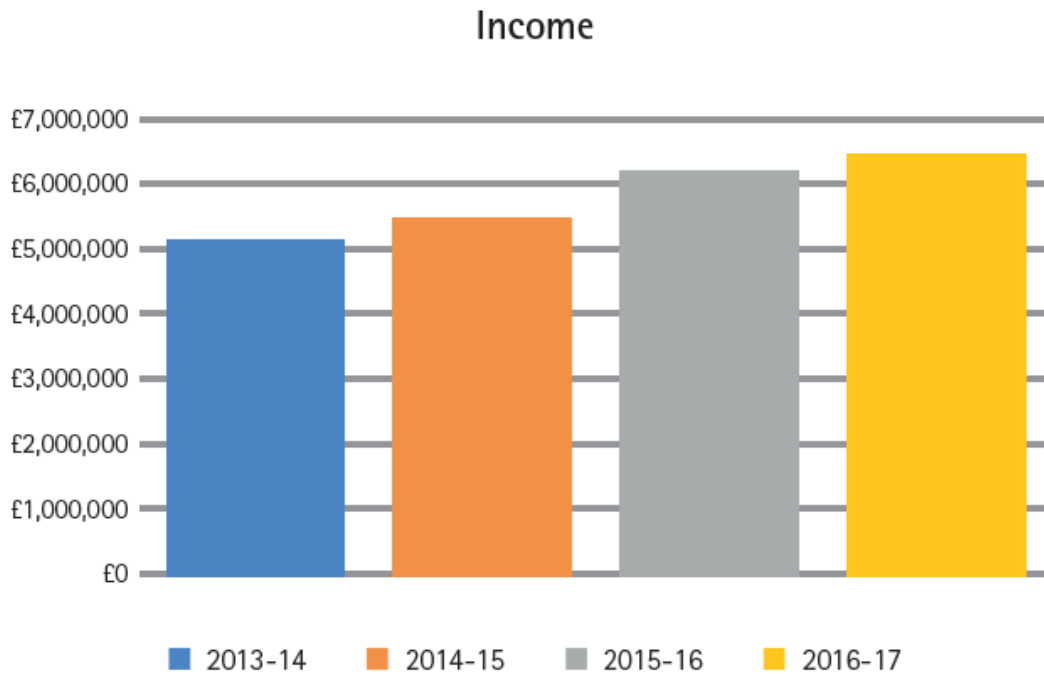


What the money was spent on in 2016-2017

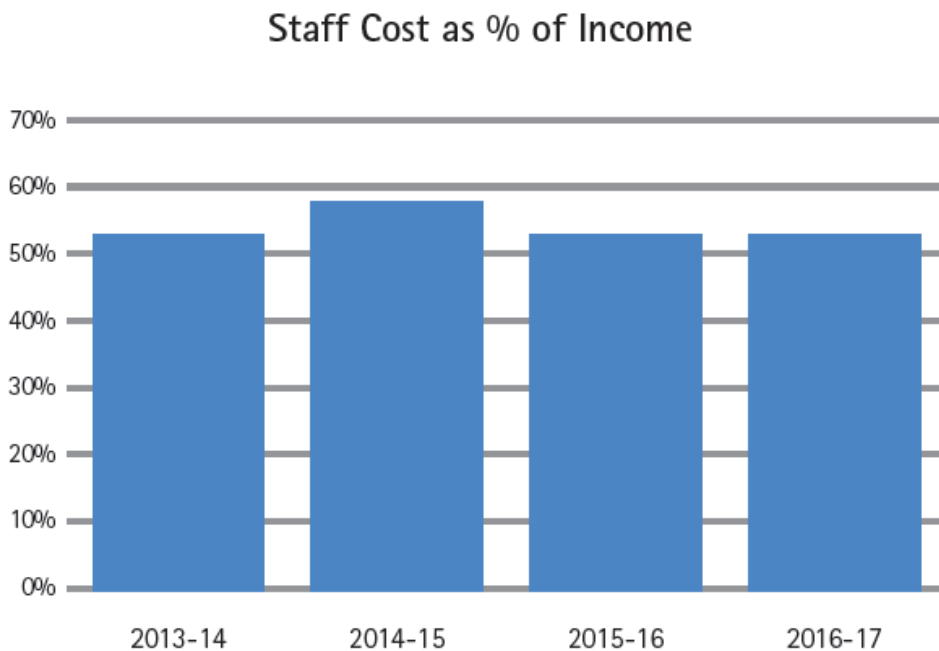


REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

FINANCIAL REVIEW – continued



The above chart shows the income year on year. 2013-2015 we were a council Direct Service Organisation.



The above chart shows staff costs as a % of income. None of the figures include Head Office costs.

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REPORT OF THE TRUSTEES
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FINANCIAL REVIEW – continued

Reserves

Surpluses on trading and charitable activities will be transferred to a risk reserve and an improvement reserve. After the accumulation of 50% of £560k into the risk reserve, then the Trust shall transfer up to £100,000 of any surplus generated into a designated account, the Improvement Reserve.

In the event that the Trust meets the agreed Risk Reserve target of £560,000 and after £100,000 has been transferred into the Improvement Reserve and the Risk Reserve target has been maintained for a continuous period of 3 months, then 50% of any additional surplus generated by the Trust in any Service Year shall be shared with Worthing Borough Council.

There were total reserves at the balance sheet date of £588,916 (2016: £415,743). £471,583 (2016: £305,283) has been designated as the risk reserve in accordance with the reserves policy and £100,000 (2016: £100,000) has been designated as the improvement reserve. Restricted funds at the year end were £17,333 (2016: £10,460).

Plans for the future

We have established a structure that will allow us to develop the Trust and potentially grow in future years. We have looked at various facilities within the borough of Worthing and will not exclude opportunities outside this area if geographically positioned to allow us to manage the facilities efficiently and effectively.

We have also started the very early stages of looking at the refurbishment or rebuild of our large dryside facility, Worthing Leisure Centre.

Accountable and Transparent

The work of the Trust sits entirely in the public domain and through its values, club and customer focus groups, surveys & feedback mechanisms it strives to engage with all interested parties. The business plan and objectives are published and subject to public scrutiny.

As part of the service agreement with Worthing Borough Council, the Trust provides regular reports to the Council on its performance through monitoring Key Performance Indicators (KPIs).

SOUTH DOWNS LEISURE
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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware: and
- the trustees have taken all the 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.

ON BEHALF OF THE BOARD:

J Le Seuer - Chair

Date: 13 February 2018

:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of South Downs Leisure for the period ended 31 March 2017 on pages eighteen to thirty four. 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page fifteen, 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 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 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 charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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: 13 February 2018

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income:					
Donations and legacies	4	130,390	-	130,390	128,886
Income from charitable activities:					
Operation of leisure centres	5	6,433,042	62,712	6,495,754	5,749,254
Total Income		<u>6,563,432</u>	<u>62,712</u>	<u>6,626,144</u>	<u>5,878,140</u>
Expenditure:					
Expenditure on charitable activities:					
Operation of leisure centres	6	6,397,132	55,839	6,452,971	5,462,397
Total Expenditure		<u>6,397,132</u>	<u>55,839</u>	<u>6,452,971</u>	<u>5,462,397</u>
Net income for the period before transfers		<u>166,300</u>	<u>6,873</u>	<u>173,173</u>	<u>415,743</u>
Net movement in funds		166,300	6,873	173,173	415,743
Reconciliation of funds:					
Total funds brought forward		<u>405,283</u>	<u>10,460</u>	<u>415,743</u>	<u>-</u>
Total funds carried forward		<u>571,583</u>	<u>17,333</u>	<u>588,916</u>	<u>415,743</u>

Continuing operations

All of the above results are derived from continuing operations.

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

BALANCE SHEET
31 MARCH 2017

	Notes	31.3.17		31.3.16	
		£	£	£	£
FIXED ASSETS					
Intangible assets	11		61,595		43,641
Tangible assets	12		306,013		296,410
Investments	13		<u>1</u>		<u>1</u>
			367,609		340,052
CURRENT ASSETS					
Stocks	14	39,053		42,157	
Debtors	15	403,827		486,817	
Cash at bank and in hand		<u>546,837</u>		<u>709,979</u>	
		989,717		1,238,953	
CREDITORS					
Amounts falling due within one year	16	<u>(613,012)</u>		<u>(926,316)</u>	
NET CURRENT ASSETS			<u>376,705</u>		<u>312,637</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			744,314		652,689
CREDITORS					
Amounts falling due after more than one year	17		<u>(155,398)</u>		<u>(236,946)</u>
NET ASSETS			<u>588,916</u>		<u>415,743</u>
FUNDS					
Unrestricted Funds	20	-		-	
Designated Funds	20	571,583		405,283	
Restricted Funds	20	<u>17,333</u>		<u>10,460</u>	
TOTAL FUNDS			<u>588,916</u>		<u>415,743</u>

The financial statements were approved by the Board of Trustees on 13 February 2018 and were signed on its behalf by:

.....
 J Le Sueur - Chair

The notes form part of these financial statements

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31.3.17 £	31.3.16 £
Cash flows from operating activities			
Cash generated from operations	1	66,893	797,885
		<hr/>	<hr/>
Net cash from operating activities		<u>66,893</u>	<u>797,885</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(30,926)	-
Purchase of tangible fixed assets		(100,486)	(81,155)
Finance charges		<u>(17,075)</u>	<u>(6,751)</u>
Net cash from investing activities		<u>(148,487)</u>	<u>(87,906)</u>
Cash flows from financing activities			
Loan repayments in year		(81,548)	-
		<hr/>	<hr/>
Net cash from financing activities		<u>(81,548)</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents		(163,142)	709,979
Cash and cash equivalents at beginning of year	2	709,979	-
		<hr/>	<hr/>
Cash and cash equivalents at end of year	2	<u>546,837</u>	<u>709,979</u>

The notes form part of these financial statements

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	31.3.17	31.3.16
	£	£
Net income for the reporting period (as per the statement of financial activities)	173,173	415,743
Depreciation charges	103,855	91,071
Finance costs	17,075	6,751
Decrease/(increase) in stocks	3,104	(42,157)
Increase/(decrease) in debtors	82,990	(486,816)
(Decrease)/increase in creditors	<u>(313,304)</u>	<u>813,293</u>
Cash generated from operations	<u>66,893</u>	<u>797,885</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	<u>546,837</u>	<u>709,979</u>

Year ended 31 March 2016

	31.3.16	1.5.15
	£	£
Cash and cash equivalents	<u>709,979</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. **STATUTORY INFORMATION**

South Downs Leisure (A Company Limited by Guarantee) is a registered charity. The Charity's registered number and registered office address can be found on the Charity Information page.

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **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.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Preparation of consolidated financial statements

The financial statements contain information about South Downs Leisure as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 383 of the Companies Act 2006 from the requirements to prepare consolidated financial statements due to the group as a whole qualifying as a small group.

Income recognition

All incoming resources from recreation and leisure sites are included on the Statement of Financial Activities when the charitable company is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the charitable company will receive the income. 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 as such is accrued until the invoice has been raised and the income recognised in the income and expenditure account. Income for annual memberships is accounted for over the membership year.

Grants receivable

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

3. **ACCOUNTING POLICIES - continued**

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.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 resources. Resources expended include attributable VAT which cannot be recovered.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Fixed assets costing in excess of £5,000 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.

Fixtures and Fittings	- straight line over 5 years
Exercise Equipment	- straight line over 5 years
IT, Audio & Visual Equipment	- straight line over 5 years

Irrecoverable VAT

Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

3. **ACCOUNTING POLICIES - continued**

Service Concession Arrangements

The charitable company has a Service Contract with Worthing Borough Council for the operation of leisure centres owned by the Council to which it has lease and management service contracts. Worthing Borough Council has rights under the contracts to specify the activities offered by the centres and has influence over the prices charged for them and specifies 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 Worthing Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the leisure centres, 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.

Payments

The charitable company makes an agreed payment to Worthing Borough Council each year in recognition of the assets acquired by the charitable company from the Council at the beginning of the contract period.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell, 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.

Debtors receivable and creditors payable over one year

Debtors and creditors are stated at value due as an appropriate interest/discount rate is effectively applied.

Hire purchase and leasing commitments

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

Taxation

The Charitable Company 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.

Pension costs and other post-retirement benefits

In respect of those defined benefit pension schemes where the local authority has indemnified the Charitable company against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of a contract, the amount charged to the statement of financial activities represents the contribution payable to the scheme in the accounting period without any actuarial adjustment.

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

3. **ACCOUNTING POLICIES - continued**

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.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets and the deferred income relating to memberships and bookings for the following year.

Going Concern

The board of management have assessed the major risks to which the charitable company is exposed and assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The board of management make this assessment in respect of a period of one year from the date of approval of the financial statements. The charitable company has adequate financial resources together with customers and strategic parties to continue trading at current levels. As a consequence the board believe that the charitable company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The board have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

4. **DONATIONS AND LEGACIES**

	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Total	<u>130,390</u>	<u>-</u>	<u>130,390</u>	<u>128,886</u>

5. **INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Operation of leisure centres	<u>6,433,042</u>	<u>62,712</u>	<u>6,495,754</u>	<u>5,749,254</u>
Total	<u>6,433,042</u>	<u>62,712</u>	<u>6,495,754</u>	<u>5,749,254</u>

6. **RESOURCES EXPENDED ON CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Summary by fund type				
Operation of leisure centres	<u>6,397,132</u>	<u>55,839</u>	<u>6,452,971</u>	<u>5,462,397</u>
Total	<u>6,397,132</u>	<u>55,839</u>	<u>6,452,971</u>	<u>5,462,397</u>

Summary by expenditure type	Staff costs 2017 £	Direct costs 2017 £	Support costs 2017 £	Total funds 2017 £	Total funds 2016 £
Operation of leisure centres	<u>3,783,337</u>	<u>2,042,360</u>	<u>627,274</u>	<u>6,452,971</u>	<u>5,462,397</u>
Total	<u>3,783,337</u>	<u>2,042,360</u>	<u>627,274</u>	<u>6,452,971</u>	<u>5,462,397</u>

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

7. SUPPORT COSTS

	Year ended 31.03.17	Year ended 31.03.16
External support services	276,775	255,896
Premises expenses	34,385	11,000
Advertising & marketing	85,969	71,661
Office administration	144,277	34,245
Consultancy	4,855	8,463
Training	3,978	22,615
Finance costs	17,075	6,751
Governance costs	36,797	10,930
Other support costs	23,163	4,402
Total	<u>627,274</u>	<u>425,963</u>

8. NET INCOMING RESOURCES

Net resources are stated after charging:

	31.3.17 £	31.3.16 £
Hire of equipment	64,795	83,140
Depreciation	90,883	80,160
Amortisation	12,972	10,910
Auditors' remuneration	10,000	7,750
Auditors' remuneration for non-audit work	<u>14,000</u>	<u>2,000</u>

9. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2017 nor for the year ended 31 March 2016.

The Charitable company is defined for tax purposes as a charitable organisation and accordingly no liability to UK corporation tax arises on the surplus for the year. However, corporation tax is payable on all significant activities outside the primary purpose of the charitable company which this year results in tax losses to be carried forward

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

10. **STAFF COSTS**

	Year ended 31.3.17	Year ended 31.3.16
	£	£
Wages and salaries	3,223,123	2,695,049
Social security costs	157,578	99,681
Other pension costs	<u>402,636</u>	<u>390,821</u>
	<u><u>3,783,337</u></u>	<u><u>3,185,551</u></u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 (pro rata) in the year and the preceding year was as follows:

£60,000 - £69,999	<u>1</u>	<u>1</u>
-------------------	----------	----------

The number of employees earning in excess of £60,000 (for the year and the preceding year) to whom retirement benefits were accruing was as follows:

Defined contribution schemes	<u>1</u>	<u>1</u>
------------------------------	----------	----------

The total amount of employee benefits received by key management personnel is £213,178 (2016: £265,121). The charitable company considers its key management personnel to be the Chief Executive, Finance Director, Operations Director, HR Manager and the Business Development Director.

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

Year Ended 31.3.17	Year Ended 31.3.16
<u>403</u>	<u>377</u>

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

11. **INTANGIBLE FIXED ASSETS**

	Computer software £
COST	
At 1 April 2016	54,551
Additions	<u>30,926</u>
At 31 March 2017	<u>85,477</u>
AMORTISATION	
At 1 April 2016	10,910
Amortisation for year	<u>12,972</u>
At 31 March 2017	<u>23,882</u>
NET BOOK VALUE	
At 31 March 2017	<u>61,595</u>
At 31 March 2016	<u>43,641</u>

12. **TANGIBLE FIXED ASSETS**

	Equipment, Plant & Machinery £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2016	234,936	48,158	93,476	376,570
Additions	29,875	62,291	8,320	100,486
Disposals	<u>(700)</u>	<u>-</u>	<u>-</u>	<u>(700)</u>
At 31 March 2017	<u>264,111</u>	<u>110,449</u>	<u>101,796</u>	<u>476,356</u>
DEPRECIATION				
At 1 April 2016	50,074	9,632	20,454	80,160
Charge for year	52,214	17,937	20,732	90,883
Eliminated on disposal	<u>(700)</u>	<u>-</u>	<u>-</u>	<u>(700)</u>
At 31 March 2017	<u>101,588</u>	<u>27,569</u>	<u>41,186</u>	<u>170,343</u>
NET BOOK VALUE				
At 31 March 2017	<u>162,523</u>	<u>82,880</u>	<u>60,610</u>	<u>306,013</u>
At 31 March 2016	<u>184,862</u>	<u>38,526</u>	<u>73,022</u>	<u>296,410</u>

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

13. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 April 2016 and 31 March 2017	1
NET BOOK VALUE	
At 31 March 2017	1
At 31 March 2016	1

The company's investments at the Balance Sheet date in the share capital of companies include the following:

South Downs Leisure Enterprises Limited company number 09261501

Nature of business: Operation of an events venue

Class of shares:	%		
Ordinary	holding		
	100.00	31.3.17	31.3.16
		£	£
Aggregate capital and reserves		21,268	13,207
Profit for the year		<u>8,061</u>	<u>13,206</u>

14. **STOCKS**

	31.3.17	31.3.16
	£	£
Stocks	<u>39,053</u>	<u>42,157</u>

Stock amounts recognised as expenditure within the current period: £331,484 (2016:£192,168)

15. **DEBTORS**

	31.3.17	31.3.16
	£	£
Trade debtors	121,526	70,277
Other debtors	22,040	39,128
Amounts owed by group undertakings	205,405	350,907
Prepayments and accrued income	<u>54,856</u>	<u>26,505</u>
	<u>403,827</u>	<u>486,817</u>

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

16. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.17	31.3.16
	£	£
Trade creditors	200,441	128,093
Social security and other taxes	69,283	62,602
Other creditors	46,765	214,787
Deferred income	82,195	110,040
Accrued expenses	132,780	329,246
Worthing Borough Council	<u>81,548</u>	<u>81,548</u>
	<u>613,012</u>	<u>926,316</u>

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

	31.3.17	31.3.16
	£	£
Worthing Borough Council	<u>155,398</u>	<u>236,946</u>

18. **OPERATING LEASE COMMITMENTS**

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	31.3.17	31.3.16
	£	£
Within one year	81,132	65,685
Between one and five years	75,269	22,277
In more than five years	<u>178,607</u>	<u>8,207</u>
	<u>335,008</u>	<u>96,169</u>

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

19. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
Fixed Assets	367,609	-	367,609	340,052
Current Assets	972,384	17,333	989,717	1,238,953
Current Liabilities	(613,012)	-	(613,012)	(926,316)
Long Term Liabilities	(155,398)	-	(155,398)	(236,946)
	<u>571,583</u>	<u>17,333</u>	<u>588,916</u>	<u>415,743</u>

20. **MOVEMENT IN FUNDS**

	At 01.04.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted funds				
Designated funds	405,283	166,300	-	571,583
Restricted funds	<u>10,460</u>	<u>6,873</u>	<u>-</u>	<u>17,333</u>
TOTAL FUNDS	<u>415,743</u>	<u>173,173</u>	<u>-</u>	<u>588,916</u>

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

	Incoming resources £	Resources expended £	Gains, losses & transfers £	Net movement in funds £
Unrestricted funds				
General fund	-	-	-	-
Designated funds	6,563,432	(6,397,132)	-	166,300
TOTAL UNRESTRICTED FUNDS	<u>6,563,432</u>	<u>(6,397,132)</u>	<u>-</u>	<u>166,300</u>

Designated funds

The Trustees have in accordance with the funding agreement designated £471,583 of unrestricted funds for the risk reserve and £100,000 of funds for building improvements.

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

21 **RESTRICTED FUNDS.**

	Incoming resources £	Resources expended £	Gains, losses & transfers £	Net movement in funds £
Restricted funds				
Big Lottery Over 50s Grant	9,960	(9,960)	-	-
Sportivate Rugby	845	(845)	-	-
Short Breaks Buddy PT	7,279	(3,257)	-	4,022
Walking Football	179	(179)	-	-
Exercise Referrals	10,150	(10,150)	-	-
Disability Holiday Programme	8,399	(5,548)	-	2,851
SFS Disability Sessions	100	(100)	-	-
Big Potential Lottery Fund	25,800	(25,800)	-	-
TOTAL RESTRICTED FUNDS	62,712	(55,839)	-	6,873

Big Lottery Over 50s Grant

Funding from the Big Lottery to encourage the community's over 50s to get together and get active.

Sportivate Rugby

A Big Lottery funded project to encourage more young people to take part in rugby.

Short Breaks Buddy PT

Discounted PT sessions and gym access for children with disabilities aged 14-18 years.

Walking Football

A lower impact, slower version of the game aimed at those over 50.

Exercise Referrals

A programme of GP referrals funded by Adur District Council.

Disability Holiday Programme

A programme of fun, sporting holiday activities for children with disabilities.

SFS Disability Sessions

Active Sussex funding towards a Community Games event.

Big Potential Lottery Fund

Delivering three projects to the community aimed at those aged 50 plus: walking netball, walking football and over-50s gardening.

22. **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.

SOUTH DOWNS LEISURE
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

23. **RELATED PARTIES**

In previous years concessionary membership rates were granted to Trustees. The aim of this policy was to encourage Trustees to make use of the Charitable Company's facilities for the purpose of informing their role as Trustees. The Board consulted with the Charity Commission concerning this practice and in doing so it was established that this represented a benefit to Trustees and accordingly the Charitable Company ceased to offer this concession. The Trustees have now reimbursed the Charity for this in full and £nil remains outstanding at 31 March 2017 (2016: £784).

24. **COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
Income:			
Donations and legacies	128,886	-	128,886
Income from charitable activities			
Operation of leisure centres	5,717,558	31,696	5,749,254
	<hr/>	<hr/>	<hr/>
Total Income	5,846,444	31,696	5,878,140
Expenditure			
Expenditure on charitable activities			
Operation of leisure centres	<u>5,440,999</u>	<u>21,398</u>	<u>5,462,397</u>
	<hr/>	<hr/>	<hr/>
Total expenditure	5,440,999	21,398	5,462,397
	<hr/>	<hr/>	<hr/>
Net income for the period before transfers	405,445	10,298	415,743
	<hr/>	<hr/>	<hr/>
Transfers between funds	(162)	162	-
	<hr/>	<hr/>	<hr/>
Net movement in funds	405,283	10,460	415,743
	<hr/>	<hr/>	<hr/>
Reconciliation of funds:			
Total funds brought forward	-	-	-
	<hr/>	<hr/>	<hr/>
Total funds carried forward	<u>405,283</u>	<u>10,460</u>	<u>415,743</u>