

Registered Company Number: 04384765  
Registered Charity Number: 1096244

## **BLUECOAT SPORTS**

### **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2018**

**BLUECOAT SPORTS  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2018**

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**Officers and Professional Advisers**

**Directors and Charity Trustees**

Members of the Board of Trustees are the charity trustees of Bluecoat Sports under charity law and the directors of the charitable company. The members of the Board who served during the year and subsequently are detailed below.

James Maclean, BSc Hons (Chairman)  
Nigel Currie  
Patrick Dearsley, MA (Cantab) (Independent Trustee)  
Roger Eades, ACMA  
Keith Willder MBE

**Company Secretary**      Jacqui Duggan

**Registered Office**      The Counting House  
Christ's Hospital  
Horsham  
West Sussex  
RH13 0YP

**Auditor**      Crowe U.K. LLP  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

**Banker**      Barclays Bank plc  
2 Carfax  
Horsham  
West Sussex  
RH12 1DN

**Solicitor**      Mills and Reeve LLP  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1PH

# **BLUECOAT SPORTS TRUSTEES' REPORT YEAR ENDED 31 AUGUST 2018**

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The Trustees of Bluecoat Sports (the Charitable Company, known as Bluecoats) present their annual report for the year ended 31 August 2018 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

## **STRUCTURE, AIMS AND GOVERNANCE**

### **Constitution and objects**

The Charitable Company was established in 2002. It is constituted as a company limited by guarantee registered in England, number 04384765, and is registered with the Charity Commission under charity number 1096244. The Charitable Company's activities are governed by its Memorandum and Articles of Association dated 1 March 2002, as amended by the special resolution dated 1 March 2012.

The Charitable Company's objects as set out in the Memorandum of Association are to:

- provide facilities to Christ's Hospital for physical education and training for personal and teamwork development;
- promote physical health and fitness amongst the pupils of Christ's Hospital;
- provide facilities to local schools, local authority organisations and charities for the purposes of physical education and training for personal and teamwork development; and
- promote physical health and fitness amongst the wider community.

## **AIMS, OBJECTIVES AND ACTIVITIES**

### **Aims**

The Charitable Company's aim for the public benefit is to provide safe, secure and up-to-date sporting and exercise facilities for pupils at Christ's Hospital, local schools, local authority organisations, charities and the wider community.

## **GOVERNANCE AND MANAGEMENT**

### **Board of Trustees**

The Board of Trustees (the Board) consists of at least three and not more than six individuals. All but one (the independent Trustee) are nominated by Christ's Hospital (formerly Christ's Hospital School). The independent Trustee is nominated by the Board of Bluecoats and must not be a Trustee or employee of Christ's Hospital or any of its subsidiary undertakings.

The Board takes its governance responsibilities seriously and aims to have a governance framework that is fit for purpose, compliant and efficient. Bluecoats' policy and practice have been reviewed against the Charity Governance Code. Many of the provisions are covered as part of Bluecoats' relationship with the governance of Christ's Hospital. In particular, the Audit and Risk Committee provides oversight and challenge for Bluecoats' trustees. There are some areas that could be improved and the Board will look to address these in the coming year.

### **Recruitment, induction and training of Trustees**

New Trustees are required to attend an induction meeting which explains the objectives of the Charity and the responsibilities of the Trustees.

### **Organisational management**

The members of the Board, as the charity trustees, are legally responsible for the overall management and control of Bluecoats. The Board meets at least three times a year and acts in the sole interest of Bluecoats.

The day-to-day running of Bluecoats is delegated to a Senior Management Team, comprising the Centre Manager, who reports to the Bursar of Christ's Hospital, and two Assistant Managers. The Bursar is also a Trustee of the Charitable Company.

# **BLUECOAT SPORTS TRUSTEES' REPORT YEAR ENDED 31 AUGUST 2018**

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## **Related parties**

The Charitable Company is a 'controlled' charity insofar as Christ's Hospital controls the appointment of the majority of the Trustees.

## **STRATEGIC REPORT**

### **STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES**

During the year, the number of classes and activities on offer has increased alongside a growth in membership. We continue to hire out the pool and teach a local school and children with special needs on a weekly basis.

A continued programme of staff development has seen staff members promoted from national apprentice schemes to permanent posts and then gain further promotions and qualifications, enhancing the skills and expertise of the Bluecoats' team.

During the year the facilities have been enhanced and improved. Completed projects include refurbishments of the lift and the squash court flooring. In addition, a rebranded website and internal signage were introduced. Post year end, new equipment was purchased for the fitness suite and improvements were made to access control and CCTV.

### **ACHIEVEMENTS AND PERFORMANCE**

#### *Provide facilities to Christ's Hospital*

The main focus of Bluecoats' activities remains the provision of sporting facilities and improvement of the health and wellbeing of the pupils at Christ's Hospital. Approximately 55% of the time available in the core facilities (pool, fitness suite, sports hall and gymnasium) is taken up by Christ's Hospital during term time.

Pupils of Christ's Hospital have achieved some notable successes during this academic year. All of these pupils used Bluecoats' facilities for a major part of their training. The Trustees congratulate the pupils on their efforts and their successes and thank the staff of Bluecoats for their support for all the pupils of Christ's Hospital.

#### *Promote physical health and fitness amongst the pupils of Christ's Hospital*

All pupils are inducted into the fitness suite by a Bluecoats fitness instructor. We have a robust monitoring system to ensure that all pupils using the facilities have undergone suitable instruction and that they have the information and tools to achieve their health and fitness goals. In conjunction with Christ's Hospital's PE Department, Bluecoats provides a multitude of activities to promote health and wellbeing, including aerobic, mind and body and core stability exercise classes.

Optional activities for pupils have included badminton, swimming, fitness training, dancing, squash, martial arts, yoga and step aerobics. During social periods in the evenings, the main halls are used for football, basketball, badminton and cricket training by both pupils and staff.

#### *Provide facilities to local schools, local authority organisations and charities for the purposes of physical education and training for personal and teamwork development*

Bluecoats continues to be popular with local schools and community clubs, such as the Horsham-based Ready and Able Club, Wamham Village Primary School and Amphibians triathletes. All of these users benefit from discounted rates.

Bluecoats has a Regional Development Squash Squad which trains monthly, and hires out the astroturf to several local football clubs. The new all-weather pitch is hired out to Horsham Hockey Club on a weekly basis.

Over the Easter and summer holiday periods the facilities are available to the language schools that are accommodated on the Christ's Hospital site, ensuring that these schools are able to offer a wide range of extra-curricular activities to their students.

# **BLUECOAT SPORTS TRUSTEES' REPORT YEAR ENDED 31 AUGUST 2018**

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## *Promote physical health and fitness amongst the wider community*

Bluecoats provides services to approximately 4,000 members from the local community. In addition, all adult exercise classes, children's courses and classes (including swimming lessons) are open to the general public at prices set in accordance with the local market.

The facilities are utilised by a variety of national and regional athletes and in addition Bluecoats runs four adult squash teams which compete in the Sussex leagues.

To promote health and fitness to the wider community, Bluecoats has engaged in a number of local and national events with great success. In March, Bluecoats hosted the Sport Relief Swimathon for the eleventh year in a row, recruiting 68 swimmers. Open weekends, with over 30 classes running over three days and a launch event for a global campaign linked to fitness and activity were also held.

Over the summer, the Sussex Road Relay, Mel's Milers 10k run, Pennthorpe Swimming Gala and several Amateur Swimming Association training days were all held at the Club, helping to raise the profile of both Bluecoats and Christ's Hospital.

This year, the Summer Kids' Club, part of Ofsted's Voluntary Childcare Register, again provided activities for children. Bluecoats has continued to provide an enhanced programme for the children of members and non-members during the summer so that parents can attend exercise classes whilst their children take part in a variety of activities including the crèche, Mini Kids' Club, trampolining and multi sports.

A programme of staff training and development continues to enhance the skills of staff at Bluecoats and attendance at internal training sessions has remained high in the key operational areas. Structured training has improved the customer service skills of a number of staff.

## **PUBLIC BENEFIT**

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and fee charging.

The fee charged to Christ's Hospital is discounted by 25% (circa £100k) in comparison to the commercial rate and there are no additional charges to pupils who use the facilities for social activities which include use of the fitness suite, social areas and sports halls.

In 2017-18, only 25% of pupils attending Christ's Hospital paid full fees, 2% received staff discounts, 14% attended at no cost and the remaining 59% made a contribution which, in most cases, was far below the full fee. Bluecoats thus delivers public benefit in making its facilities available to these pupils, none of whom are charged directly for their use of the Centre, either as part of the curriculum or outside school hours.

Membership fees for the community are on a par with local leisure facilities and non-members are able to attend many of the activities for a small charge which is comparable with local leisure facilities.

Local community groups also benefit from substantial discounts compared to the commercial rate with significant discounts for the Ready and Able Club which pays 5% of the commercial rate. Again, Bluecoats delivers public benefit in making its facilities available to the members of these groups, none of whom are charged directly for their use of the Centre.

## **FINANCIAL REVIEW**

### *Results for the year*

Income for the year was £2.03 million (2017: £1.92 million), with net outflow of £52,000 (2017: £478,000). This was after expenditure totalling £359,000 on the development of a plan for the future expansion of the facilities. This expenditure had been approved by the Board in the light of plans to expand Bluecoats to provide improved facilities for the School and the local communities.



# **BLUECOAT SPORTS TRUSTEES' REPORT YEAR ENDED 31 AUGUST 2018**

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## **Principal risks and uncertainties**

The principal risks facing Bluecoats relate to the health and safety of the pupils and members and the welfare of the pupils. Robust procedures, with regular checks and balances, are in place to ensure that these risks are minimised.

Through the risk management processes established by Bluecoats, the Trustees are satisfied that the major risks identified have been adequately mitigated. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the directors of Bluecoat Sports 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 will continue in business.

The Trustees are responsible for ensuring that Bluecoat Sports keeps adequate accounting records that are sufficient to show and explain the Charitable Company's transactions, disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware, there is no relevant audit information of which the Charitable Company's auditor is unaware and we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

**BLUECOAT SPORTS  
TRUSTEES' REPORT  
YEAR ENDED 31 AUGUST 2018**

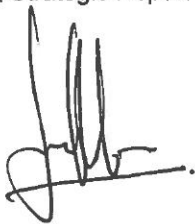
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**AUDITOR**

Crowe U.K. LLP (formerly Crowe Clark Whitehill LLP) was reappointed as the Charitable Company's auditor following a competitive tender. Crowe U.K. LLP has expressed its willingness to continue as auditor for the next financial year.

This Trustees' Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 23 November 2018, including in their capacity as company directors approval of the Strategic Report contained therein, and is signed on its behalf by

James Maclean  
Chairman  
23 November 2018





# **BLUECOAT SPORTS AUDITOR'S REPORT YEAR ENDED 31 AUGUST 2018**

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## **Independent Auditor's Report to the Members of Bluecoat Sports**

### **Opinion**

We have audited the financial statements of Bluecoat Sports for the year ended 31 August 2018 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland (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 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, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

**BLUECOAT SPORTS  
AUDITOR'S REPORT  
YEAR ENDED 31 AUGUST 2018**

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- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

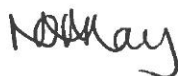
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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 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, for our audit work, for this report, or for the opinions we have formed.



Nicola May  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
London

Date 10 December 2018

**BLUECOAT SPORTS**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 AUGUST 2018**

	Notes	2018	2017
		£	£
<b>INCOME FROM:</b>			
Charitable activities			
Sports Centre income		2,000,583	1,884,771
Other ancillary income		18,043	15,732
Investments		3,201	6,739
Other trading activities		11,021	12,450
<b>TOTAL INCOME</b>		<b>2,032,848</b>	<b>1,919,692</b>
<b>EXPENDITURE ON:</b>			
Charitable activities	2	(2,084,955)	(2,397,855)
<b>NET OUTFLOW</b>		<b>(52,107)</b>	<b>(478,163)</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>728,822</b>	<b>1,206,985</b>
<b>FUND BALANCE</b>		<b>676,715</b>	<b>728,822</b>

The notes on pages 12 to 20 form part of these financial statements.

**BLUECOAT SPORTS  
BALANCE SHEET  
AT 31 AUGUST 2018**

	Notes	2018	2017
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	<u>117,427</u>	<u>199,754</u>
<b>CURRENT ASSETS</b>			
Stock	6	16,709	13,053
Debtors	7	705,445	1,209,173
Cash at bank and in hand		<u>83,593</u>	<u>49,943</u>
		<b>805,727</b>	<b>1,272,169</b>
<b>CREDITORS</b>			
Due within one year	8	<b>(246,459)</b>	<b>(743,101)</b>
<b>NET CURRENT ASSETS</b>		<u><b>559,288</b></u>	<u><b>529,068</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u><b>676,715</b></u></u>	<u><u><b>728,822</b></u></u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
Designated	9	329,516	465,656
General	9	<u>347,199</u>	<u>263,166</u>
		<u><b>676,715</b></u>	<u><b>728,822</b></u>

The notes on pages 12 to 20 form part of these financial statements.

Approved by the Board of Trustees on 23 November 2018 and signed on its behalf by:

James Maclean  
Chairman  
23 November 2018



**BLUECOAT SPORTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

**Accounting convention**

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

These Financial Statements have been drawn up on the historical cost accounting basis.

Based on the business plans, including forecasts of income and cash flows, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 6.

Bluecoat Sports is a Charitable Company limited by guarantee (Company number 04384765) and registered in England. It is a Public Benefit Entity registered with the Charity Commission in England and Wales under Charity number 1096244. Bluecoat Sports operates from its registered office at The Counting House, Christ's Hospital, Horsham, West Sussex, RH13 0YP.

The Charitable Company has taken advantage of the exemption, available under FRS102 to subsidiary charities, from preparing a cash flow statement as this is included in the consolidated financial statements of Christ's Hospital.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charitable Company's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values 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 these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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 the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following paragraphs describe the specific policies adopted for recognition of significant categories of incoming resource and expenditure.

**Sports Centre income**

Sports Centre income relates to continuing activities and comprises membership subscriptions, guest fees and hire of facilities in the year, exclusive of Value Added Tax and is accounted for when receivable.

**Investment income**

Investment income currently comprises bank interest and is accounted for on an accruals basis.

**Deferred income**

Fee income invoiced in advance of courses is deferred to the year in which the courses are delivered.

**BLUECOAT SPORTS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2018**

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**Fixed assets**

A number of fixed assets are in the ownership of Christ's Hospital Foundation, the cost of use being charged on a monthly basis to the Charitable Company.

Expenditure on individual items costing more than five thousand pounds has been capitalised.

Fixed assets are depreciated in equal annual instalments over their economic lives as follows:

Plant and equipment	20% or 33⅓% on cost
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**Stock**

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

**Lease commitments**

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year.

Governance costs comprise the costs running the Charitable Company, including strategic planning for future development, internal and external audit, any legal advice for the Board, and all the costs of complying with constitutional and statutory requirements, such as the costs of Committee meetings, preparing statutory accounts, and satisfying public accountability.

**Taxation**

The activities of Bluecoat Sports are exempt from Income and Corporation Tax but are registered for Value Added Tax (VAT). The majority of these activities are classified as exempt or non-business activities for VAT purposes and consequently it is not possible to reclaim the majority of the VAT incurred on purchases.

**Pension schemes**

The Christ's Hospital Pension Scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the Scheme that are attributable to the Charitable Company on a consistent and reasonable basis. Therefore, in accordance with FRS 102, the Charitable Company accounts for this scheme as if it were a defined contribution scheme.

Note 12 provides further information on this scheme and the stakeholder pension scheme.

**Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with short term deposits, trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

**BLUECOAT SPORTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2018**

**2. ANALYSIS OF TOTAL EXPENDITURE**

	STAFF COSTS	OTHER COSTS	DEPRECIATION	TOTAL 2018	TOTAL 2017
	£	£	£	£	£
<b>Charitable activities</b>					
Providing sporting facilities	834,063	16,650	-	<b>850,713</b>	782,620
Premises costs	9,617	723,366	-	<b>732,983</b>	350,102
Equipment costs	-	124,798	82,327	<b>207,125</b>	188,705
Publicity costs	-	45,840	-	<b>45,840</b>	34,807
Other costs	75,176	155,918	-	<b>231,094</b>	198,571
Grants payable	-	-	-	-	823,098
Finance costs	-	10,600	-	<b>10,600</b>	12,990
Governance costs	-	6,600	-	<b>6,600</b>	6,962
<b>Total expenditure</b>	<b>918,856</b>	<b>1,083,772</b>	<b>82,327</b>	<b>2,084,955</b>	<b>2,397,855</b>

Premises costs included £359,000 of development costs in 2018 in respect to the Bluecoat Sports Expansion Project. The grants payable of £823,000 in 2017 related to funding provided to the Foundation for the changing rooms project and the second astropitch.

**3. STAFF COSTS**

	2018 £	2017 £
Wages and salaries	<b>737,138</b>	671,994
Coaches' fees	<b>128,835</b>	122,081
National Insurance costs	<b>31,383</b>	33,300
Pensions	<b>21,500</b>	26,486
	<b>918,856</b>	<b>853,861</b>

In addition, salaries totalling £nil (2017: £2,800) were recharged to the Charitable Company by Christ's Hospital Enterprises Ltd.

**BLUECOAT SPORTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2018**

**3. STAFF COSTS (continued)**

The full time equivalent number of staff analysed by function was:

	2018 FTE	2017 FTE
Activities department	4	4
Class instructors	3	3
Fitness suite	6	6
Recreation assistants	7	7
Swim school	3	3
Management and administration	12	13
	<u>35</u>	<u>36</u>

No employee earned over £60,000 (2017: nil).

The average head count (being the number of staff employed not adjusted for FTE) was 128 (2017: 120). There were 3 key management personnel (2017: 3) in the year to 31 August 2018. Their aggregate employee benefits were £95,968 (2017: £117,448). This includes £22,020 which was recharged from Christ's Hospital.

**4. AUDITOR'S REMUNERATION**

	2018 £	2017 £
Audit fee	<u>6,600</u>	<u>6,960</u>

**5. TANGIBLE FIXED ASSETS**

	Plant & equipment £
<b>Cost</b>	
At 1 September 2017	803,225
Additions at cost	-
At 31 August 2018	<u>803,225</u>
<b>Depreciation</b>	
At 1 September 2017	603,471
Charge for year	82,327
At 31 August 2018	<u>685,798</u>
Net book value at 31 August 2018	<u>117,427</u>
Net book value at 31 August 2017	<u>199,754</u>



**BLUECOAT SPORTS**  
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<b>6. STOCK</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Stock for sale	5,914	4,892
Raw materials and consumables	10,795	8,161
	<u>16,709</u>	<u>13,053</u>
 <b>7. DEBTORS</b>	 <b>2018</b>	 <b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	10,951	16,123
Due from Christ's Hospital Enterprises Limited	84	20,186
Due from Christ's Hospital	686,335	1,169,467
Due from Christ's Hospital Foundation	8,075	3,397
	<u>705,445</u>	<u>1,209,173</u>
 <b>8. CREDITORS: Due within one year</b>	 <b>2018</b>	 <b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	20,604	30,656
Deferred income	108,022	115,849
Tax and National Insurance	11,532	13,821
Due to Christ's Hospital Foundation	49,906	539,560
Other creditors	56,395	43,215
	<u>246,459</u>	<u>743,101</u>
 <u>Deferred income</u>		
Income deferred in the current year:		
- Swim School course fees	49,467	60,128
- Other fees	58,555	55,721
	<u>108,022</u>	<u>115,849</u>
 <u>Summary of movements in deferred income</u>		
Balance at 1 September 2017	115,849	
Released to income in the year	(115,849)	
New fees	108,022	
Balance at 31 August 2018	<u>108,022</u>	

**BLUECOAT SPORTS**  
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**9. MOVEMENT OF FUNDS**

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2018 £
<b>Designated funds</b>					
Liquid assets					
Development fund	265,902	-	(358,813)	305,000	212,089
Fixed assets					
Capital fund	199,754	-	(82,327)	-	117,427
	<u>465,656</u>	<u>-</u>	<u>(441,140)</u>	<u>305,000</u>	<u>329,516</u>
General funds	263,166	2,032,848	(1,643,815)	(305,000)	347,199
<b>TOTAL FUNDS</b>	<u><b>728,822</b></u>	<u><b>2,032,848</b></u>	<u><b>(2,084,955)</b></u>	<u><b>-</b></u>	<u><b>676,715</b></u>

**PRIOR YEAR MOVEMENT OF FUNDS**

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2017 £
<b>Designated funds</b>					
Liquid assets					
Development fund	681,000	-	(823,098)	408,000	265,902
Fixed assets					
Capital fund	270,353	25,724	(96,323)	-	199,754
	<u>951,353</u>	<u>25,724</u>	<u>(919,421)</u>	<u>408,000</u>	<u>465,656</u>
General funds	255,632	1,893,968	(1,478,434)	(408,000)	263,166
<b>TOTAL FUNDS</b>	<u><b>1,206,985</b></u>	<u><b>1,919,692</b></u>	<u><b>(2,397,855)</b></u>	<u><b>-</b></u>	<u><b>728,822</b></u>

**BLUECOAT SPORTS**  
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**10. ALLOCATION OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Net current assets £	Total 2018 £
General funds	-	347,199	347,199
Designated funds:			
Capital Fund	117,427	-	117,427
Development Fund	-	212,089	212,089
	<b>117,427</b>	<b>559,288</b>	<b>676,715</b>

**PRIOR YEAR ALLOCATION OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Net current assets £	Total 2017 £
General funds	-	263,166	263,166
Designated funds:			
Capital Fund	199,754	-	199,754
Development Fund	-	265,902	265,902
	<b>199,754</b>	<b>529,068</b>	<b>728,822</b>

The Development Fund was established to provide for future development of the Centre.

**11. RELATED PARTY TRANSACTIONS**

The Charitable Company rented the sports centre and laundry to Christ's Hospital for £288,750 (2017: £288,750) and £10,000 (2017: £9,450) respectively.

Christ's Hospital recharged expenses totalling £59,000 (2017: £39,000) to the Charitable Company. This included £22,000 relating to key management salaries (2017: £nil).

Other expenses totalling £nil (2017: £24,000) were recharged to Christ's Hospital Enterprises Limited. See Note 3 for salaries recharged by Christ's Hospital Enterprises Limited to Bluecoat Sports.

No Trustee received remuneration during the year (2017: £nil).

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**12. CHRIST'S HOSPITAL PENSION SCHEMES**

The Charitable Company is a participating employer in the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and employers. The Scheme was closed to new members with effect from 31 March 2005.

The Scheme is a multi-employer scheme and as such the Charitable Company is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of the other entities participating in the Scheme.

Member contributions are 6.5% of salary for those members who have an accrual rate of 1/80<sup>th</sup> of final salary for each year of service, and 4% for those who have an accrual rate of 1/100<sup>th</sup>. Contributions payable by employers are 19.7%, plus an annual deficit-reduction contribution, which is paid by Christ's Hospital Foundation. The deficit-reduction payment is in accordance with an agreed schedule, allowing the deficit to be eliminated by 30 April 2029. The basis of contribution to the Scheme is specified in a schedule of contributions agreed with the Scheme trustees and certified by the actuary on 18 April 2018.

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2017.

Employer contributions for the year ended 31 August 2018 were £5,337 (2017: £12,611).

For staff not in this Scheme, the Charitable Company offers a stakeholder pension scheme. Up to 31 December 2016, this was a unit linked defined contribution scheme from Standard Life, under which the Charitable Company contributed 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014 to 31 December 2016, new and existing staff who had not previously opted to join a pension scheme, and were eligible to do so, were auto enrolled into the Standard Life scheme with employer contributions at the statutory minimum of 1%. All members of the Standard Life scheme were transferred to a Legal and General scheme on 1 January 2017 which has the same contributions rates as the Standard Life scheme. From 1 January 2017 new staff, who were eligible to do so, were auto enrolled into the Legal and General scheme with employer contributions at the statutory minimum (currently at 2% rising to 3% in 2019 in line with government legislation). Employer contributions totalling £16,162 (2017: £13,875) were paid in respect of these pension schemes for the year.

**13. FINANCIAL INSTRUMENTS**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Financial assets measured at amortised cost (a)	<b>767,018</b>	1,255,719
Financial liabilities measured at amortised cost (b)	<b>(126,905)</b>	(613,431)
	<b><u>640,113</u></b>	<b><u>642,288</u></b>

(a) Financial assets include cash, short term deposits, trade debtors, other debtors, accrued income and amounts due from members of the Christ's Hospital group.

(b) Financial liabilities include trade and other creditors and amounts due to members of the Christ's Hospital group.

**BLUECOAT SPORTS  
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**14. ULTIMATE PARENT UNDERTAKING**

Bluecoat Sports is a 'controlled' charity insofar as Christ's Hospital, a charity registered in England and Wales (number 1120090), controls the appointment of the majority of the Trustees. This is the largest and smallest group into which the Charitable Company is consolidated. A copy of the accounts can be obtained from the Finance Director, the Counting House, Christ's Hospital, Horsham, West Sussex, RH13 0YP.

