

Company no 3782811
Charity no 1080186

Thurrock Community Leisure Limited
Report and Financial Statements
31 March 2013



sayer vincent

auditors and advisors

Thurrock Community Leisure Limited

Reference and administrative details

For the year ended 31 March 2013

Company number 3782811

Charity number 1080186

Registered office and operational address Blackshots Leisure Centre
Blackshots Lane
Grays
Essex
RM16 2JU

Trustees The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows

Derek Stanton	Chair
Chris Seamark	
Geoffrey Bifield	
Laura Thompson	now Laura Miller from 04/06/12
Tunde Ojetola	
Jane Muggeridge	
Lynn Worrall	
Stuart Moon	
Kylie Major	from 04/03/13
Brian Grayston	from 04/03/13

Principal bankers National Westminster Bank Plc
17 High Street
Grays
Essex
RM17 6NP

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

Auditors Sayer Vincent
Chartered accountants and statutory auditors
8 Angel Gate
City Road
London
EC1V 2SJ

Thurrock Community Leisure Limited

Report of the trustees

For the year ended 31 March 2013

The trustees present their report and the audited financial statements for the year ended 31 March 2013

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities

Structure governance and management

Thurrock Community Leisure (TCL) is a community organisation working with Thurrock Council (TC) and other organisations, to provide leisure and cultural opportunities within the Thurrock area. TCL came into existence when TC transferred leisure and cultural facilities to TCL on 10 January 2000.

TCL is a registered charity and company limited by guarantee and is a subsidiary of the Group Parent Impulse Leisure (IL), IL being a non-profit-distributing-organisation.

A board of up to 11 trustees are ultimately responsible for TCL. The board of trustees (volunteers) are drawn from all sections of the local community. Two elected councillors of TC are included on the board. Once appointed, trustees act in their personal capacity in the best interests of TCL and do not act as representatives of the body that nominated them.

The board is made up of the following categories of trustees which are fixed in the articles:

- Independent trustees x 8
- Local Authority elected trustees x 2
- Employee elected trustees x 1

Thurrock Council elects two representatives to the board annually, although for continuity TC has in the past proposed that the same councillors continue to be trustees of TCL whenever possible. The trustee board may appoint any person willing to be a trustee in seeking to provide a broad range of skills on the board. No decision on such appointments shall be taken unless TC appointed trustees have first been consulted, or reasonable steps have been taken to allow such consultation.

All trustees will hold office for a maximum of three years before retiring. Upon retirement, the other trustees may re-appoint him/her or another person. At each Annual General Meeting (AGM), the greater of three and 33% of the longest serving trustees shall retire but may be re-appointed unless the vacancy is filled.

Trustees of TCL guarantee to contribute an amount not exceeding £1 to the assets of TCL in the event of winding up. The total number of such guarantees at 31 March 2013 was 10 (2012 - 11). Should there be a need to attract new trustees to the board, then the membership of TCL can be consulted to put prospective trustees forward, in addition adverts are placed at the sites and in appropriate media including various websites.

The trustees have no beneficial interest in the Group or TCL.

As a charity, TCL is a non-profit distributing organisation. Therefore, members do not receive any dividend as all surpluses must be invested to pursue the charitable objectives of the company. TCL buys its senior management, administration, finance, human resources, support and development function from IL and an Intra-group Agreement governs this arrangement.

Thurrock Community Leisure Limited

Report of the trustees

For the year ended 31 March 2013

TCL has a wholly owned subsidiary company known as TCL Trading Limited (TCLT). TCLT operates a golf shop, grounds maintenance function and bar and catering operation at Belhus Park. Directors of TCLT are appointed by TCL. The directors have no beneficial interest in TCLT, the Group or TCL. All surpluses generated by TCLT are donated back to TCL.

The trustees and senior management undertake an annual risk assessment process and report on this to the full board. The trustees are satisfied that adequate processes are in place to mitigate the key risks faced by the charity.

Objectives and activities

The objectives of TCL as set out in its memorandum of association, are to run the facilities primarily for the benefit of the community of Thurrock and its neighbourhood. TCL must therefore operate in a manner that does not discriminate against any person by virtue of their age, infirmity, disability, poverty or socio-economic status.

TCL aligns its strategy with that of the Group and in pursuit of its mission. The mission is 'Creating active and healthy communities'.

TCL's priorities include

- Instilling pride in communities through training, education, improving the quality of life, youth engagement and increasing opportunities
- Contributing towards achieving safer communities
- Developing prosperous communities through the attraction of inward investment
- Promoting inclusive and diverse communities
- Promoting community regeneration through environmental and cultural improvements
- Delivering healthier, more active communities

A full review of the activities of TCL throughout 2012/2013 is published in the 2012/2013 Annual Report.

TCL have continued to manage the three leisure centres at Belhus Park (plus the Golf Course), Blackshots (plus the Civic Hall) and Corringham. TCL have continued trading as Impulse Leisure.

Achievements and performance

The year produced many successes with all centres retaining their QUEST (the leisure industry quality standard) registration. Both Blackshots and Corringham are in the 'highly commended' brackets. In addition the scores allocated by our customers in the areas of cleanliness, staffing and health and safety showed improvement during the year.

We continued to consolidate the business as far as possible, in the light of the recession and rising costs. In addition to normal planned and preventative maintenance, there has been a number of refurbishment and upgrade projects across the sites most notably

Blackshots

- Internal redecoration (in Brand colours) including corridors
- Health suite refurbishment including new sauna and steam rooms and changing room benching
- Refurbishment of reception

Thurrock Community Leisure Limited

Report of the trustees

For the year ended 31 March 2013

- New signage
- Refurbishment of the first floor including new studio and disabled facilities
- Rebranding and refreshment of the catering facilities
- Creation of new archive areas/rooms
- A new public address system was installed
- Energy efficient lighting was installed in the main pool hall

Civic Hall

- New follow spots
- New floor covering in the foyer
- Refurbishment of the Green Rooms

Belhus Park

- Extensive fencing improvements to the golf driving range were undertaken
- Roof covering over the 'dry' areas was replaced by TC

Capability Brown

- New fire alarm installed

Corringham

- Treatment rooms were converted to office space and storage
- External signage was installed
- TC carried out major works to replace the pool roof, heating and ventilation systems

The above improvements demonstrate our commitment to continuous improvement, make our facilities more attractive to new customers and obviously increase the value for money our existing customers receive. As a result, our main category of membership (Platinum) has continued to grow.

In addition to the above, the following are a list of occurrences/activities/improvements during the year:

- A new 5 year Corporate Plan (including funding) was agreed with TC
- Sickness absence rates were maintained at low levels
- Continuous safety improvements
- New online booking arrangements with the ability to pay online was introduced
- Maintaining service delivery through adverse weather
- Continuous procedural improvements mainly attempting to improve service delivery
- Dealt with the significant business losses resulting from TC's roofing replacement project which forced the closure of Corringham Pools for 35 weeks
- TCL invested in a solar power project in West Sussex and expect good returns from this over the next 20 years
- Provided increased numbers of programmes to disadvantaged groups

Finance

Bearing in mind the extensive closure of Corringham Pools and the significant facility investments undertaken during the year, 2012/2013 has been a good year financially.

Thurrock Community Leisure Limited

Report of the trustees

For the year ended 31 March 2013

Income was higher than targeted during the year, due to anticipated loss from closure at Belhus Park not occurring, as the planned work was delayed. Income was less than the previous year due to the Corringham closure and poor Golf (weather related) and Driving Range (safety related) performance. Most costs were controlled well, including staff costs, but significant spending on facility improvement and equipment has contributed to the marginal loss.

There was a deficit on restricted funds but overall there was a small improvement in the balance sheet excluding pension deficits.

Our wholly owned trading subsidiary TCLT had a poor financial year, showing an approximate £10,000 loss. This was mainly as a result of poor income from all golf related activity (bar, catering and golf shop) which was all adversely affected by the poor weather throughout the year. The recession and increasing golf competition has also contributed to the income downturn.

Future Plans

Grant funding has been secured at a reduced but reasonable level for 2013/2014. TC's agreement to the 5 year Corporate Plan indicates that grant will continue to reduce over the term of the Plan but at manageable levels which can be used to plan the future finances.

In 2013/2014, we plan to build on the financial stability of the organisation through concentrating efforts into making a success of our existing facilities. We will also continue to work with the TC and others to redevelop and invest into Belhus Park Leisure Centre, which will enable significant improvements to the facilities. Work has already started on partnership arrangements with TC, required to secure development at Belhus Park Leisure Centre. Other potential sources of funding for the development of the wider facilities at Belhus Park are being investigated.

TCL will continue to provide new and improved services both to its existing, and external to its current provision. TCL will continue to seek to work with other local authorities, although this has continued to prove difficult at present. Further expansion, or joint work with other like-minded organisations/trusts in future, including schools and the new 'health organisations', will enable us to become more efficient and provide best value to the local area, as well as the new areas in which we may work.

We will seek to continue our expansion outside of Thurrock, through the use of Impulse Leisure and as part of the group.

Other medium-term facility improvements include

- Continuous redecoration and facility improvement
- Disabled access improvements during all refurbishment work
- Environmental conservation measures including
 - Use of new pool water disinfection technology, reducing the need for chemical additives
 - Further energy management and energy usage reduction opportunities
 - Obtaining ISO14001
 - Resolving alleged noise leakage from the Civic Hall
- Seeking external funds for applicable investments or services
- Further security improvements

Thurrock Community Leisure Limited

Report of the trustees

For the year ended 31 March 2013

Public Benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. TCL relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the trustees give careful consideration to the accessibility of the centres for those on low incomes and those from other disadvantaged groups.

Continuous improvement to community facilities increases opportunities for all to become more physically active and healthy. In particular some community groups that require specialist attention are targeted to improve their health and wellbeing.

Reserves policy

The charity is still at present reliant upon the grant receivable from TC. The charity is therefore looking to reduce its costs to reduce its reliability on the grant. The trustees and management team are aware of the ongoing need to increase the working capital base while also making commitments to continual improvements in facilities.

Investment policy & performance

Funds are anticipated to be required for further improvements to facilities in the short to medium term. As the company works towards complying with its reserves policy, new long-term investments will be investigated and agreed. At present, it is the policy of the trustees to hold cash balances not required for immediate day-to-day operations on short-term deposit (bonds) so as to maximise return while retaining sufficient liquidity.

Statement of trustees' responsibilities

The trustees (who are also directors of Thurrock Community Leisure Limited for the purposes of company law) are responsible for preparing the trustees' report 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- 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 operation.

Thurrock Community Leisure Limited

Report of the trustees

For the year ended 31 March 2013

The trustees are responsible for keeping proper accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

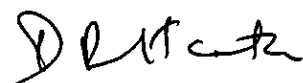
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2013 was 10 (2012 - 11). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the group or the charity.

Auditors

Sayer Vincent were re-appointed as the group and charity's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 24 June 2013 and signed on its behalf by



Derek Stanton - Chair

Independent auditors' report

To the members of

Thurrock Community Leisure Limited

We have audited the financial statements of Thurrock Community Leisure for the year ended 31 March 2013 which comprise the consolidated statement of financial activities, balance sheets, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 company and the 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 the trustees' responsibilities set out in the report of the trustees, 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.

We have been appointed auditor under the Companies Act 2006 and section 144 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Independent auditors' report

To the members of

Thurrock Community Leisure Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report

Catherine L Sayer, Senior statutory auditor

29 August 2013

for and on behalf of Sayer Vincent, Statutory Auditors

8 Angel Gate, City Road, LONDON EC1V 2SJ

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

Thurrock Community Leisure Limited

Consolidated statement of financial activities

(incorporating an income and expenditure account)

For the Year Ended 31 March 2013

	Note	Restricted £	Unrestricted £	2013 Total £	2012 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
<i>Activities for generating funds</i>					
Golf club shop and bar		-	264,714	264,714	292,289
Office rent		-	30,000	30,000	30,000
Investment income		-	13,922	13,922	12,114
<i>Incoming resources from charitable activities</i>					
Grant income	2	20,769	450,000	470,769	450,000
Fees & charges					
Leisure centre income		-	4,005,501	4,005,501	4,073,157
Civic hall income		-	372,261	372,261	360,441
Total incoming resources		<u>20,769</u>	<u>5,136,398</u>	<u>5,157,167</u>	<u>5,218,001</u>
Resources expended.					
<i>Costs of generating funds</i>					
Promotion & publicity	3a	-	187,312	187,312	205,233
Golf club shop and bar	3b	-	639,383	639,383	593,360
<i>Charitable expenditure</i>					
Leisure centres	4	59,641	3,850,494	3,910,135	3,590,614
Civic hall		-	379,603	379,603	372,588
Governance costs		-	78,045	78,045	67,938
Total charitable expenditure		<u>59,641</u>	<u>4,308,142</u>	<u>4,367,783</u>	<u>4,031,140</u>
Total resources expended		<u>59,641</u>	<u>5,134,837</u>	<u>5,194,478</u>	<u>4,829,733</u>
Net (outgoing)/incoming resources for the year before other recognised gains and losses	6	(38,872)	1,561	(37,311)	388,268
Actuarial gain / (loss) on pension scheme	18	-	58,000	58,000	(559,000)
Movement in funds		(38,872)	59,561	20,689	(170,732)
Funds at the start of the year		<u>45,000</u>	<u>623,306</u>	<u>668,306</u>	<u>839,038</u>
Funds at the end of the year		<u>6,128</u>	<u>682,867</u>	<u>688,995</u>	<u>668,306</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 17 to the financial statements.

Thurrock Community Leisure Limited (limited by guarantee)

Balance sheets

Company no 3782811

As at 31 March 2013

	Note	The group 2013 £	2012 £	The charity 2013 £	2012 £
Fixed assets					
Tangible fixed assets	10	1,640,160	1,361,058	1,629,429	1,339,599
Investments	11,12	58,813	-	68,713	9,900
		1,698,973	1,361,058	1,698,142	1,349,499
Current assets					
Stock		65,947	58,794	39,109	25,961
Debtors	13	168,989	268,070	160,233	288,758
Short term deposits		930,000	868,000	930,000	868,000
Cash at bank and in hand		33,007	254,704	72,993	250,969
		1,197,943	1,449,568	1,202,335	1,433,688
Creditors' amounts due within 1 year	14	337,821	377,220	327,517	345,935
Net current assets		860,122	1,072,348	874,818	1,087,753
Total assets less current liabilities		2,559,095	2,433,406	2,572,960	2,437,252
Creditors: amounts falling due after more than one year	15	402,000	250,000	402,000	250,000
Net assets before pension deficit		2,157,095	2,183,406	2,170,960	2,187,252
Pension deficit	18	(1,468,000)	(1,515,000)	(1,468,000)	(1,515,000)
Net assets after pension deficit		689,095	668,406	702,960	672,252
Funds					
Share capital		100	100	-	-
Restricted funds		6,128	45,000	6,128	45,000
Unrestricted funds					
Designated funds		1,468,000	1,725,960	1,468,000	1,725,960
General funds		696,832	416,292	696,832	416,292
Non charitable trading funds		(13,965)	(3,946)	-	-
Total unrestricted funds excluding pension reserve	17	2,150,867	2,138,306	2,164,832	2,142,252
Pension reserve		(1,468,000)	(1,515,000)	(1,468,000)	(1,515,000)
Total funds		689,095	668,406	702,960	672,252

Approved by the trustees on 24 June 2013 and signed on their behalf by



Derek Stanton - Chair

Thurrock Community Leisure Limited

Consolidated cash flow statement

As at 31 March 2013

	2013 £	2012 £
Reconciliation of net outgoing/incoming resources to net cash inflow from operating activities		
Net (outgoing)/incoming resources for the year	(37,311)	388,268
Interest received	(13,922)	(12,114)
Depreciation charged	87,851	67,355
Actuarial pension scheme costs charged	11,000	12,000
Decrease / (increase) in debtors	99,081	(215,708)
Decrease/(increase) in stock	(7,153)	(3,424)
(Decrease) / increase in creditors < 1 year	(39,399)	(33,029)
(Decrease) / increase in creditors > 1 year	<u>152,000</u>	<u>-</u>
Net cash inflow from operating activities	252,147	203,348
Returns on investments and servicing of finance		
Increase in Fixed Assets	(366,953)	-
Solar Panel investment	(58,813)	-
Interest received	13,922	12,114
Management of liquid resources		
Payments into short term deposits	<u>(62,000)</u>	<u>(868,000)</u>
(Decrease)/increase in cash in the year	(221,697)	(652,538)
Net cash resources at 1 April 2012	<u>254,704</u>	<u>907,242</u>
Net cash resources at 31 March 2013 (Note 1)	<u><u>33,007</u></u>	<u><u>254,704</u></u>

Notes to the cash flow statement

1 Analysis of net cash resources

	2012 £	Cash flow £	2013 £
Cash at bank and in hand	<u>254,704</u>	<u>(221,697)</u>	<u><u>33,007</u></u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2013

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary (TCL Trading Limited) on a line by line basis. A Separate Statement of Financial Activities (SOFA), or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

- b) Grants are recognised in full in the SOFA when entitlement transfers to the charity and all conditions have been fulfilled. Fee income is recognised on an accruals basis and is stated net of VAT where applicable.
- c) Resources expended are allocated to the particular activity where the cost relates directly to that activity. Resources expended include attributable VAT which cannot be recovered. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Leisure Centres	75%
Civic Hall	13%
Support costs	12%

Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Leisure Centres	91%
Civic Hall	4%
Governance costs	5%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Costs of generating funds include the salaries of marketing staff and other direct publicity and promotional costs.

- d) Expenditure incurred for leasehold improvements is capitalised at cost. Depreciation is provided at rates calculated to write down the cost of each asset on a straight line basis to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold buildings	25 years
Leasehold improvements	10 - 40 years

There is a change in accounting estimate to reflect the view of the trustees that the useful economic life of some leasehold improvements is now 40 years.

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2013

1. Accounting policies (continued)

Items of equipment are capitalised where the purchase price exceeds £10,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

- e) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- f) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- g) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund.
- h) Stocks are stated at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stocks.
- i) The charity contributes to a multi-employer defined benefit pension scheme. The cost of providing the pensions and related benefits is charged to the SOFA over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. Variations from regular cost, arising from periodic actuarial valuations, are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. Full details of the scheme are given in note 18.
- j) Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included as creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charge. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.
- k) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the SOFA on a straight line basis over the lease duration.

2 Grants

	Restricted £	Unrestricted £	2013 Total £	2012 Total £
Thurrock Council main grant	-	450,000	450,000	450,000
Positive Activities Grant Funding	13,600	-	13,600	-
Other Thurrock Activities Grant	7,169	-	7,169	-
Total	20,769	450,000	470,769	450,000

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2013

3a Promotion & publicity costs

	Restricted £	Unrestricted £	2013 Total £	2012 Total £
Staff costs (Note 7)	-	123,031	123,031	117,312
Promotion & publicity	-	64,281	64,281	87,921
	-	187,312	187,312	205,233

3b Golf club shop and bar

	Restricted £	Unrestricted £	2013 Total £	2012 Total £
Staff costs (note 7)	-	254,095	254,095	248,482
Other trading costs	-	385,288	385,288	344,878
	-	639,383	639,383	593,360

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2013

4. Charitable expenditure

	Leisure centres	Civic Hall	Support costs	Governance costs	2013 Total	2012 Total
	£	£	£	£	£	£
Staff Costs (Note 7)	1,324,389	120,351	241,208	-	1,685,948	1,636,307
Premises costs	851,593	94,731	120,861	-	1,067,185	909,277
Purchases for resale	147,333	95,093	-	-	242,426	289,924
Office administration costs	446,011	19,283	845,599	-	1,310,893	1,141,247
Audit & accountancy	-	-	-	15,363	15,363	7,678
Legal & professional	-	-	45,968	-	45,968	46,707
Total	2,769,326	329,458	1,253,636	15,363	4,367,783	4,031,140
Support costs (note 5)	1,140,809	50,145	(1,253,636)	62,682	-	-
Total charitable expenditure	3,910,135	379,603	-	78,045	4,367,783	4,031,140

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2013

5 Support costs

Support costs are allocated to charitable activities as follows

	Leisure centres £	Civic Hall £	Governance costs £	2013 Total £	2012 Total £
Staff costs	219,500	9,648	12,060	241,208	263,803
Premises costs	109,984	4,834	6,043	120,861	87,688
Office administration costs	769,495	33,824	42,280	845,599	807,005
Legal and professional	41,831	1,839	2,298	45,968	46,707
	<u>1,140,810</u>	<u>50,145</u>	<u>62,681</u>	<u>1,253,636</u>	<u>1,205,203</u>

6 Net outgoing resources for the year

This is stated after charging / crediting

	2013 £	2012 £
Depreciation	87,851	67,355
Trustees' remuneration	nil	nil
Trustees' reimbursed expenses	183	148
Auditors' remuneration		
▪ Current year	10,800	7,678
▪ Under accrual for prior year	4,563	-
Operating lease rentals		
▪ Equipment	<u>192,696</u>	<u>122,742</u>

The trustees' reimbursed expenses relate to 1 trustee (2012 3) for travel and other expenses

7. Staff costs and numbers

Staff costs for the group were as follows

	2013 £	2012 £
Salaries and wages	1,805,234	1,770,520
Social security costs	93,986	96,395
Pension contributions	142,607	107,593
Other pension costs	11,000	12,000
Other staff costs	<u>10,246</u>	<u>15,593</u>
	<u>2,063,073</u>	<u>2,002,101</u>
Total emoluments paid to staff were	<u>1,947,841</u>	<u>1,878,113</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2013

8 Staff costs and numbers (continued)

No employee earned more than £60,000 during the year

The average number of employees (full-time equivalents) in the group during the year was as follows

	2013 No	2012 No
Direct charitable activities	101	97
Golf club shop and bar	13	13
Support staff	2	2
Fundraising and publicity	12	13
	<u>128</u>	<u>125</u>

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary TCL Trading Ltd does not have any taxable profits.

10 Tangible fixed assets

	Leasehold Improvements The group £	The charity £
Cost		
At the start of the year	2,897,825	2,790,542
Additions	366,953	366,953
At the end of the year	<u>3,264,778</u>	<u>3,157,495</u>
Depreciation		
At the start of the year	1,536,767	1,450,943
Charge for the year	87,851	77,123
At the end of the year	<u>1,624,618</u>	<u>1,528,066</u>
Net book value		
At the end of the year	<u>1,640,160</u>	<u>1,629,429</u>
At the start of the year	<u>1,361,058</u>	<u>1,339,599</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2013

11 Investments

Investments for the charity comprise 9,900 ordinary shares in TCL Trading Ltd, stated at cost. Profits of TCL Trading Ltd are transferred annually to the charity as a gift aid donation.

TCL investments include £58,813 relating to investment by TCL in solar panels installed on the roof of WCRA, another subsidiary of Impulse Leisure. TCL have the rights to the asset, and future economic benefits will flow to TCL in the form of electricity savings paid over by WCRA and income from surplus electricity sold back to the electricity board.

12 Subsidiary undertaking

The charitable company owns the whole of the issued voting A shares of TCL Trading Limited, a company registered in England which became operable from 1 October 2003. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below.

	2013 £	2012 £
Turnover	610,195	576,388
Cost of sales	229,258	256,796
Gross profit	380,937	319,592
Administrative expenses	390,956	319,270
Operating profit / (loss)	(10,019)	322
Interest payable	-	-
	(10,019)	322
Deed of covenant to parent undertaking	-	-
Surplus for financial year	(10,019)	322
Accumulated gain at the start of the year	(3,946)	(4,268)
Accumulated gain at the end of the year	(13,965)	(3,946)
The aggregate of the assets, liabilities and funds was	2013 £	2012 £
Assets	57,185	66,410
Liabilities	(61,150)	(60,356)
Share capital	(10,000)	(10,000)
Accumulated Loss	(13,965)	(3,946)

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2013

13 Debtors

	The group		The charity	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	-	2,075	-	-
Other debtors	22,252	68,719	19,786	68,719
Amount due from subsidiary	-	-	6,638	29,071
Amounts due from other group members	70,673	118,653	70,673	118,653
Prepayments	61,290	63,095	61,291	63,095
VAT receivable	14,774	15,528	1,845	9,220
	168,989	268,070	160,233	288,758

14. Creditors Amounts falling due within one year

	The group		The charity	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	34,060	165,125	34,841	144,166
Taxation & Social Security	24,642	26,029	21,413	22,791
Intra group loans	-	14,522	-	14,522
Loans	48,000	-	48,000	-
Accruals	195,556	126,541	187,700	119,436
Income in advance	23,638	32,948	23,638	32,948
Other creditors	11,925	12,055	11,925	12,072
	337,821	377,220	327,517	345,935

15 Creditors. amounts falling due after more than one year

	The group		The charity	
	2013	2012	2013	2012
	£	£	£	£
Blackshots improvement loan	152,000	-	152,000	-
Loans Due in 2-5 years	250,000	250,000	250,000	250,000
	402,000	250,000	402,000	250,000

The above loans have been drawn down to finance leasehold improvements. The loans are repayable in instalments. The loans accrue interest at rates between 3.7% and 5.2%, and are repayable as shown above.

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2013

16 Analysis of group net assets between funds

	Share Capital £	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	-	1,698,973	1,698,973
Net current assets	100	6,128	-	853,894	860,122
Long term liabilities	-	-	-	(402,000)	(402,000)
Pension deficit	-	-	1,468,000	(2,936,000)	(1,468,000)
Net assets	100	6,128	1,468,000	(785,133)	689,095

17 Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers & actuarial gains / (losses) £	At the end of the year £
Restricted funds					
PCT equipment grant	45,000	-	(45,000)	-	-
Thurrock Council grants	-	20,769	(14,641)	-	6,128
Total restricted funds	45,000	20,769	(59,641)	-	6,128
Unrestricted funds.					
<i>Designated funds</i>					
Premises fund	210,960	-	(210,960)	-	-
Pension fund	1,515,000	-	11,000	(58,000)	1,468,000
Total designated funds	1,725,960	-	(199,960)	(58,000)	1,468,000
General funds of TCL	416,292	4,526,203	(4,303,663)	58,000	696,832
General funds of TCLT	(3,946)	610,195	(620,214)	-	(13,965)
Total general funds	412,346	5,136,398	(4,923,877)	58,000	682,867
Total unrestricted funds					
excluding pension liability	2,138,306	5,136,398	(5,123,837)		2,150,867
less pension liability	(1,515,000)	-	(11,000)	58,000	(1,468,000)
Total unrestricted funds	623,306	5,136,398	(5,134,837)	58,000	682,867
Total funds	668,306	5,157,167	(5,194,478)	58,000	688,995

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2013

17 Movements in funds (continued)

Purposes of restricted and designated funds, and transfers between funds

PCT equipment fund	PCT income was received for equipment in 10/11 and spent in the current year
Thurrock Council grants	This grant was received in 12/13 to cover the period February to November 2013, and therefore balance unspent
Premises fund	This fund is designated for building maintenance. This was spent in the year
Pension fund	The pension fund has been designated this year to cover the actuarial valuation of the pension scheme as shown in note 18 and shown as the pension liability

18 Pension scheme

Employees of Thurrock Community Leisure are admitted to the Essex County Council Pension Fund, a defined benefit scheme which is administered by Essex County Council under the regulations governing the Local Government Pension Scheme. The deficit on the pension scheme does not represent a liability that will crystallise at any single point in time. The calculation can also be very sensitive to the actuarial assumptions used in valuing the scheme. The figures disclosed below have been derived by approximate methods from the last full actuarial valuation of the Fund carried out by Mercer Human Resource Consulting Ltd as at 31 March 2010.

Market value of assets at last valuation (£millions) 3,085

The employee benefit obligations recognised in the balance sheet are as follows

	2013 £'000	2012 £'000
Present value of funded obligations	4,172	3,865
Fair value of plan assets	2,704	2,350
Net liability	1,468	1,515
Amounts recognised in net incoming resources	2013 £'000	2012 £'000
Current service cost	116	96
Interest on obligation	176	176
Expected return on plan assets	(139)	(152)
Total	153	120

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2013

18 Pension scheme (continued)

	2013	2012
	£'000	£'000
Actual return on plan assets	<u>296</u>	<u>25</u>
Changes in the present value of the defined benefit obligation are as follows		
	2013	2012
	£'000	£'000
Opening defined benefit obligation	3,865	3,144
Service cost	116	96
Interest cost	176	176
Actuarial losses / (gains)	98	432
Member contributions	34	34
Benefits paid	<u>(117)</u>	<u>(17)</u>
Closing defined benefit obligation	<u>4,172</u>	<u>3,865</u>
Changes in the fair value of plan assets are as follows		
	2013	2012
	£'000	£'000
Opening fair value of plan assets	2,350	2,200
Expected return	139	152
Actuarial gains and (losses)	156	(127)
Contributions by employer	142	108
Member contributions	34	34
Benefits paid	<u>(117)</u>	<u>(17)</u>
	<u>2,704</u>	<u>2,350</u>
Reconciliation of opening and closing surplus		
	2013	2012
	£'000	£'000
Surplus/(deficit) at the start of the period	(1,515)	(944)
Current service cost	(116)	(96)
Employer contributions	142	108
Other finance income	(37)	(24)
Actuarial gains/(losses)	<u>58</u>	<u>(559)</u>
Surplus/(deficit) at the end of the period	<u>(1,468)</u>	<u>(1,515)</u>

The employer contributions for 2013 are projected to be £111,000

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2013

18 Pension scheme (continued)

The major categories of plan assets as a percentage of total plan assets are as follows

	2013 £'000	2013 %	2012 £'000	2012 %
Equities	1,731	64%	1,645	70%
Gilts	189	7%	94	4%
Other bonds	216	8%	235	10%
Property	325	12%	329	14%
Cash	108	4%	47	2%
Alternative Assets	135	5%	-	0%
	<u>2,704</u>	<u>100%</u>	<u>2,350</u>	<u>100%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2013 %	2012 %
Inflation rate (CPI)	2.6%	2.5%
Discount rate at the end of the year	4.6%	4.6%
Expected return on plan assets at the end of the year	5.8%	5.8%
Future salary increases	4.4%	4.3%
Future pension increases	<u>2.6%</u>	<u>2.5%</u>

Amounts for the current and previous four periods are as follows

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Defined benefit obligation	(4,172)	(3,865)	(3,144)	(3,512)	(2,174)
Plan assets	<u>2,704</u>	<u>2,350</u>	<u>2,200</u>	<u>2,168</u>	<u>1,520</u>
Surplus / (deficit)	<u>(1,468)</u>	<u>(1,515)</u>	<u>(944)</u>	<u>(1,344)</u>	<u>(654)</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2013

19 Operating lease commitments

The group had annual commitments at the year end under operating leases expiring as follows

	2013 Equipment £	2012 Equipment £
Less than 1 year	61,546	48,005
1 - 2 Years	9,585	78,948
2 - 5 Years	53,944	55,660
	<u>125,075</u>	<u>182,613</u>

The charity had annual commitments at the year end under operating leases expiring as follows

	2013 Equipment £	2012 Equipment £
Less than 1 year	61,546	23,340
1 - 2 Years	-	73,892
2 - 5 Years	39,028	36,215
	<u>100,574</u>	<u>133,447</u>

20 Parent undertaking

The ultimate parent undertaking is Impulse Leisure, a company limited by guarantee (no 5220291). The relationship between Impulse Leisure and Thurrock Community Leisure is governed by an intragroup agreement. Whereas the intention of the agreement is to grant Thurrock Community Leisure with as much operational independence as is practicable, control can be exercised by Impulse Leisure as the constitution provides that the parent can remove the majority of the trustees of the subsidiary.

Impulse Leisure provides management services to Thurrock Community Leisure and is responsible for setting group strategies and minimum standards.

21 Related party transactions

One of the trustees, Geoffrey Bifield, is an unpaid advisor of Leisure Lockers Limited. TCL has transacted with Leisure Lockers in the year and paid them fees of £25,118 in the financial year. Geoffrey Bifield has not been involved in the transactions or decisions relating to the relationship on behalf of either party so there has been no conflict of interest.