REGISTERED COMPANY NUMBER: 03782811 (England and Wales)
REGISTERED CHARITY NUMBER: 1080186

REPORT OF THE TRUSTEES AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 FOR

THURROCK COMMUNITY LEISURE LIMITED GROUP

WEDNESDAY
A6LNDRUR
A29 20/12/2017 #145
COMPANIES HOUSE

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

THURROCK COMMUNITY LEISURE LIMITED GROUP

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 16
Report of the Independent Auditors	17 to 18
Consolidated Statement of Financial Activities	19
Balance Sheets	20
Consolidated Cash Flow Statement	21
Notes to the Consolidated Cash Flow Statement	22
Notes To The Consolidated Financial Statements	23 to 41

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2017

TRUSTEES	M I J Couldridge (Assistant Centre Manager) (appointed 24.10.16) M O F Khwaja (Commercial Financial Analyst) Ms L Miller (Marketeer) Ms T Ojetola (Local Councillor) Ms J A Redsell (Councillor) (appointed 8.6.16) C D Seamark (Programme Grants Manager) D R Stanton (Mortgage Consultant) Ms C R Turnbull (Solicitor) W A M Warner (Managing Director) Ms J Muggeridge (resigned 24.10.16)
COMPANY SECRETARY	J N Tatchell
REGISTERED OFFICE AND OPERATIONAL ADDRESS	Blackshots Leisure Centre Blackshots Lane GRAYS Essex RM16 2JU
REGISTERED COMPANY NUMBER	03782811 (England and Wales)
REGISTERED CHARITY NUMBER	1080186
AUDITORS	McCabe Ford Williams Statutory Auditors and Chartered Accountants Bank Chambers 1 Central Avenue Sittingbourne Kent ME10 4AE
BANKERS	National Westminster Bank PLC 17 High Street Grays Essex RM17 6NP
SOLICITORS	Winckworth Sherwood Minerva House, 5 Montague Close LONDON, SE1 9BB

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 statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Purposes and aims

The objectives of Thurrock Community Leisure (TCL) as set out in its memorandum of association, are to run the leisure facilities and services primarily for the benefit of the community of Thurrock and its neighbourhood. TCL operates in a manner that does not discriminate against any person by virtue of their age, colour, race, nationality, ethnic or national origin, religion/belief, unrelated criminal convictions, gender, gender re-assignment, sexual orientation, marital status / civil partnership, or socio-economic status.

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

In order to fulfil its objects TCL manages four leisure centres at Belhus Park (plus the Golf Course), Blackshots (plus the Civic Hall), The Gym Hub (Wickford) and Corringham. TCL trades under an Impulse Leisure Brand. The main source of income is from the sale of health and fitness (gym and exercise classes) membership, golf, swimming and swimming lessons, along with a varied programme of events and entertainment at the Civic Hall.

The facilities are managed to maximise financial efficiency and generate surplus wherever possible. When surpluses are generated they are used to maintain and improve the facilities and services provided for the benefit of the local community. Largely these improvements are used to generate improved efficiency and or increase income.

In shaping objectives and planning activities, the trustees considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. TCL relies on external programme funding, but mainly 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 services for those on low incomes and those from other disadvantaged groups. As a result, significant pricing discounts are available to concessionary groups.

In addition, special programmes and sessions are planned and delivered to help disadvantaged members of the community improve their health and wellbeing, through participating in the relevant activities. Specific examples of work undertaken to target public benefit, sometimes at the expense of financial efficiency include - employment of apprentices, management contribution and participation in Thurrock's Next Top Boss (enhancing local student's employability potential), delivery of numerous health improvement programmes (often in partnership with others), attending community events and provision of memberships to community groups working with disadvantaged groups.

STRATEGIC REPORT

Achievement and performance

Throughout the year there were good increases in membership numbers across all the sites, especially at The Gym Hub, which exceeded expectation. Membership growth was limited however during the second half year, by the opening of a local new 'budget' club operation at Lakeside in West Thurrock.

Attendance levels have fallen from the highs of the prior year by approximately 26,000 (3%), largely due to fewer fitness visits, particularly at Blackshots, which is wholly attributable to new competition. Conversely there was a marginal increase in swimming numbers and swimming lessons continue to be well attended.

TCL continued to improve and extend the services provided. In addition to normal planned and preventative maintenance there has been several refurbishment and upgrade projects and general improvement most notably -
Blackshots and Civic Hall

- Replacement of group exercise bikes into a refurbished studio
- General décor
- Fire compartmentalisation work
- Thurrock Council (TC) replaced the heating pipework throughout the building
- TC have planned and work is starting imminently on replacing teaching pool filtration plant
- There were two very successful (sell out) Jimmy Carr shows at the Civic Hall in April.

Belhus Park

- Following the February 2016 gym refurbishment, investment has risen to over £800,000 (including kit), this included refurbishing reception, foyer and circulation area, Group cycling studio and a further gym extension. These improvements have been well received by the customers
- Managing the improved gym facility to grow membership income
- Painting the inside of the Pavilion (by Grounds Staff)
- New bar and catering point of sale was installed
- Planning permission secured and a wash pad is finally being installed
- The surrender of part of our lease to Aveley Football Club (AFC) was completed resulting in a £665,000 receipt
- Installation of security barriers and gates to Park Lane and overspill car park
- The beer store chiller was replaced at Capability Brown.

Corringham

- Refurbishment of the dry change shower area
- New office formed from former café.

The Gym Hub (Wickford)

- Replaced mirrors and bench seating in changing rooms (granite).

General

Updates to IT systems were made last year and at the beginning of the year to enable a raft of IT based customer care improvements and efficiencies. This included -

- Learn 2, a software solution for the management of swimming lessons linked to the membership system. This enables customers to book, pay for and manage their child's lesson programme online, review the child's progress and seamlessly allows the child to progress through the scheme. Teachers now use mobile handheld devices (Kindles) to manage their lessons, from registers to assessments and all of this information is available to the customer online. There are added advantages of freeing up administration time and reducing queues at reception
- Mobile Pro, an Impulse Leisure Application (App) was introduced in August. This free App enables customers to manage (review, book, pay, cancel) their bookings 'on the go' using a smart phone (Apple or Android). This seamlessly also links to Learn 2 (above), Bodytrax, My Wellness, along with social media feeds
- Improvement to reporting and administration functions within the membership system were also implemented.

STRATEGIC REPORT

Achievement and performance - continued

- The direct debit collection service was outsourced to an industry leader (DFC) to make the service more robust (not reliant on a few staff) and enhance the customer experience of joining online. This was completed in October 2016. The use of DFC enables the use of online joining offers and voucher codes
- All the improvements above are brought together through a new website launched in April 2016, which along with the App has enhanced the overall experience for customers
- There have been several very positive endorsements of our referral programme with the Health Department of TC, both from users and commissioners alike. Negotiations are ongoing regarding the continuation and extension of this programme
- The contract to provide care home exercise class delivery programmes was renewed until March 2018
- The Group (including TCL) maintained its ISO14001 accreditation
- Continuous procedural improvements, mainly attempting to improve service delivery were implemented
- An increased number of programmes were provided to disadvantaged groups and within the community, promoting health improvement. (see below)

The above improvements demonstrate our commitment to continuous improvement, make our facilities and services more attractive to new customers and obviously increase the value for money our existing customers receive. Increasing value for money and more attractive facilities improve the likelihood that more of the community will seek to improve their health and wellbeing by using the services. As such TCL succeeds in its mission of Creating Active & Healthy Communities.

Throughout the year new activity timetables have become more flexible as they are only published online, through social media, through the APP, on live screens, or printed on request, ensuring that information is always up to date. Communications with customers are ongoing through screens within centres, poster advertisements, newsletters, tips of the week, promotion of refer a friend and class of the month. In addition, there were number of successful promotions and targeted marketing campaigns during the year which promoted the Brand and its unique selling points, helping to achieve good sales resulting in membership growth despite the increasing and new competition

A proactive response to social media comments and reaction to any problems that do arise, enable positive explanations to be offered to issues, enforces decision making and reasoning resulting in an increasingly positive image of the company within the local community.

Throughout the year, despite providing more service to more people TCL has made a Carbon saving of 5.9% (63 tonnes) compared to prior year. TCL maintained ISO14001 (the international standard for energy and environmental good practice) accreditation.

All the facilities operate quality management systems to ensure the level of service provision is delivered consistently. Our systems have been externally audited and endorsed by the leisure industry quality standard (QUEST). All sites have retained QUEST registration in the good category, following maintenance and or full 2-day audits and the scores allocated by our customers in the areas of cleanliness, staffing and health and safety in March 2016 showed an improvement compared to prior year, with results amongst the highest ever achieved. The Gym Hub in Wickford is waiting for a QUEST Assessment date which is expected in the first half of 2017.

Towards the end of the year mystery shopping audits were undertaken around the sales process and the reports have been used to identify gaps in our delivery and train staff in a more consistent delivery of our agreed process.

As well as the ongoing financial success of TCL, progress in areas where 'it really matters' has continued. With the work recently completed at the facilities, TCL has now invested more than £9,000,000 in leasehold facilities (this excludes the millions of pounds spent on equipment replacements), which have been a great advantage to the community, TC and TCL.

STRATEGIC REPORT

Achievement and performance - continued

Services provided by TCL are available to all, both casual pay and play users, as well as members. All prices remain competitive and in addition significant concessions are offered to those most in need, including heavily discounted membership, with 50% discounts on most facility prices.

Services provided, sometimes in partnership with others to improve health, community engagement and cohesion include -

Exercise On Referral (EOR)
TCL has been delivering the Thurrock EOR programme for a number of years now and the outcomes continue to improve. 2016/17 was the first year in which the programme was jointly funded by Thurrock Public Health (TPH) and Thurrock Clinical Commissioning Group (CCG). Along with the public health team, TCL presented data and outcomes twice to the CCG, once to the Clinical Excellence Group (CEG) and once to Education & Quality in Primary Care (EQUIP) to get funding approved.
The program consists of -

- Cancer Rehabilitation - 45 referrals
- Parkinsons - 18 referrals
- Stroke Survivors - 33 referrals
- Back Pain - 48 referrals
- Chronic Obstructive Pulmonary Disease - 33 referrals
- Hypertension / Cardiac Rehab - 22 referrals
- Diabetes (Types 1 & 2) - 45 referrals
- Transient Ischaemic Attack (Mini Stroke) - 2 referrals
- Obesity with Co Morbidities - 194 referrals
- Mental health - 32 referrals

TCL deliver chair based exercise in 21 sheltered housing complexes in the borough that included exercise, two celebration parties and some nutrition workshops.

TCL delivered the Great Run Local between April 2016 and November 16 which was a community walk / run programme funded by Sport England in conjunction with SPORTA.

Most of the above programmes aim to increase physical activity levels, targeting health improvement in the community. This all fits perfectly with TCL's mission 'creating active & healthy communities'. The staff who deliver these schemes and programmes are often highly praised by the customers.

Continuous safety and procedural improvements were implemented, mainly attempting to improve service delivery. Accident rates were reduced to 2.9 accidents/10,000 visits.

The successes during the year were achieved despite a high staff turnover which at 24.3% was again above our 20% maximum target. Staff roles including lifeguards, duty managers and importantly, with regards to achieving income targets, membership advisors have been difficult to recruit into and in addition the ongoing recruitment and training of new staff takes up considerable management time. To counter this ongoing issue TCL has tried to expand the use of apprenticeship schemes and some have gone on to full time employment. TCL have 3 apprentices at the time of writing and are recruiting more. A 2% staff pay increase was implemented in April 2016. Some staff received pay increases of up to 4% to ensure compliance with the National Living Wage (NLW). Performance Related Pay (PRP) payments related to 2015/16 were made in September 2016. The 2017/18 budgets include a 4% staff increase enabling the NLW pay increases to be applied across the organisation. It should be noted that pay in the leisure industry remains low. Sickness absence rates were maintained at low levels (2.25%) despite some long-term absence.

Staff satisfaction fell by 1% to 71% in the most recent survey in Feb 2017 although statistically this reflects little change.

STRATEGIC REPORT

Achievement and performance - continued
TCL have continued to succeed despite the loss of grant funding of £350,000 during 2014/2015 and at the same time have continued to carry out significant investment (see above) into the facilities at Belhus Park.

Negotiations surrounding TC's obligations under the lease to maintain Belhus Park have been ongoing, protracted and difficult. It is now expected that TC will at least maintain Belhus Park swimming pool in the short to medium term although work is now unlikely to take place until sometime after the summer of 2017. There is a risk of plant failure prior to the work commencing which may result in pool closures at Belhus Park until the work is completed.

Expert advice has been sought with a view to resolving the current position with TCL's admission into the Essex County Council (ECC) Local Government Pension Scheme (LGPS). A letter setting out TCL's position has been sent to ECC outlining TCL's view and a response is awaited. The intention is to use this letter and response to form future negotiations that will seek to reduce TCL's future liabilities.

Financial review
Against the back drop of a £350,000 grant reduction as recently as 2015/16, TCL performed exceptionally well, effectively breaking even operationally. The breakeven position is approximately £27,000 better than the budgeted loss and better than prior year by approximately £42,000. This good performance was largely achieved through growth in income and despite rising costs.

Income at TCL grew by 3.8% (£200,000) during the year, although most of the growth was attributable to the Gym Hub (Wickford). Belhus Park and Corringham also contributed to income growth, whilst Blackshots suffered most from new competition during the second half year.

Despite the significant investments at Belhus Park there is a net increase in reserves during the year, due to both the operational breakeven position and the capital receipt received in compensation for part lease surrender at Belhus Park to Aveley Football Club.

To increase returns from reserves TCL has made several loans to another Group member at commercial rates. These loans provide significantly better returns than interest that might be achieved from bank deposits.

The trading company TCLT made a small surplus of approximately £7,000 during the year largely because of savings in expenditure as income fell below expectation.

Leisure Centres -
Performed well and were the source of the increased income during the year mainly from membership sales. Costs increased due to rising staff costs, more facility maintenance and enhanced servicing schedules implemented with a view to maintaining service quality.

Office and Cottage Rent -
Cottage rental was up on prior year due to increased rent following refurbishment.

Golf Shop and Bar -
Income from the shop was down on previous years largely as a result of fewer golf lessons. Income from the bar and catering was marginally better than prior year reflecting the increase in use of the football fields, however the margins achieved were poor.

Civic Hall -
The Civic achieved its targeted operational bottom line, largely in line with the prior year.

STRATEGIC REPORT

Financial review – continued

Reserves policy and going concern
The Reserves policy for TCL is formulated to ensure the continuation and improvement of its services, for the benefit of the community and as a safety net in the event of short term income shortfall. The services are run from various centres, which need to be regularly maintained and updated to continue to provide excellent standards of service. Therefore, reserves required are allocated into two types -

Operational Reserves -
Held to ensure TCL can meet expenditure commitments for at least half a year whilst actions are put into place to overcome any income shortfall.
Management risk strategies, insurance and contingency plans are in place to mitigate risks. As centres are all in different locations, it is unlikely that problems in one centre will have a direct impact on the remaining centres. The centre with the largest income and expenditure (Blackshots) is used to calculate the reserves required to meet commitments for half a year. This amounts to approximately £750,000.

Facility improvement and unexpected opportunity Reserve -
The day to day operational budget does not set aside any reserve for improvement, or major capital commitment. As such reserves are required to ensure funding is available to continually improve the service (property, equipment and technology) in this very competitive industry, to enable compliance with ever-changing legislation and to take advantage of other unexpected opportunities that may arise during a year. Improvements at Belhus Park and the purchase of new group exercise cycles are current examples of using these reserves to update and improve efficiency this year.
To expand the services we can offer to more beneficiaries, TCL may wish to acquire new business either through tender, acquisition or development of new premises. This is made possible when reserves are in place to support the exploitation of such opportunities as they arise.

As at March 2017, we were holding approximately £980,000 of cash reserves. TCL have other reserves of approximately £600,000, although a significant amount of this is loaned out to other Group members on commercial terms and as such isn't immediately available as cash. Including all of these reserves TCL is meeting its reserve policy with sufficient amounts to allow for the facility improvement and opportunity reserve.

TCL continue work to increase income by continuous monitoring and strengthening the customer base and customer journey. TCL actively seek new opportunities, funding and income streams to help diversify income in order to facilitate improvements and take up opportunities to further the objects.

Considering, the current reserves positon, together with the existing financial performance, forecasts for the future, cash flow forecasts and the main risks facing the organisation, the Trustees are confident that TCL will continue as a going concern.

Principal risks and uncertainties
The trustees and senior management undertake an annual risk assessment process and report on this to the full board.

The main risks identified include building failures, the LGPS deficit (see above), health and safety, staff shortages and increasing staff costs (see section below), erratic economy denting consumer confidence, local politics and increasing competition. Ongoing negotiations with TC and our own improved maintenance and servicing contracts are used to ensure that buildings and or plant are less likely to fail in such a way as to cause service disruption. The potential for major health and safety issues to arise is taken seriously and as such TCL have a comprehensive policy and manual covering health and safety, monitored at the highest level, with trustee involvement, at bi monthly bespoke meetings and again at Board meetings. Staff are also involved in the risk assessment process and everyone in the organisation is aware of the health and safety mission of 'everyone safe every day'. Constant improvements to service and increasing value for money is the main strategy in use for dealing with competition. Local politics are likely to change, so developing good relationships with senior staff at TC and working with them to add value to the whole range of council services raises the profile of TCL and its importance to the community.

STRATEGIC REPORT

Principal risks and uncertainties - continued
During the year a review of the level of Public Liability Insurance was undertaken. The review resulted in the £10,000,000 limit being retained, however this will be reviewed again during 2017/18.

TCL is aware of increasing threats to businesses from cyber fraud, whether this relates to theft of or loss of data, theft of money and the resulting bad publicity that can result from this. As a result TCL is reviewing its position, existing arrangements, identifying weaknesses and looking for cost effective solutions to strengthen its position. As an immediate action, all of the organisation's laptops have been encrypted.

The trustees are satisfied that adequate processes are in place to mitigate the key risks faced by the charity.

Plans for the future
TCL has successfully operated ahead of the financial plan set for 2015/2016 in its Corporate Plan 2015/2020. An Annual Plan 2016/2017 maps out the actions required to make continued financial improvements in 2016/2017 to ensure TCL increases operational surplus, and contributes sufficiently to reserves to enable the Objects and future investments to be realised.

TCL plan to improve both the existing facilities and financial performance. TCL will explore the options for further investment at Belhus Park and in addition expansion of the Gym Hub model in the South East. Financial improvements will also be required to mitigate the inevitable increases in staff costs that will be experienced due to the National Living Wage (NLW) up to 2020, general pay increases and attempts to improve low pay in line with The Living Wage Foundation increases. There is a 4% pay increase built into the 2017/1018 budget, largely covering the increase in NLW from £7.20 to £7.50. By virtue of their age a small number of staff were paid lower than £7.20 in 2016/17, but regardless of age all staff will earn a minimum of £7.50 from 1st April 2017.

As employer partners of CIMSPA (the Leisure Industry professional body) TCL will increasingly use vocational qualifications and career development pathways to improve staff development, training and retention, together with improved pay. These are some of the main actions we are taking to address high staff turnover over the medium term.

TCL will implement the Apprenticeship Levy as required by legislation.
TCL will investigate the introduction of a new Human Resources management software package linked to the existing payroll system. If this goes ahead it will be implemented at the end of the financial year (2017/18) ready for use April 2018.

TC's commitment to funding to provide sufficient maintenance (landlord related property expenditure) for their leisure service in future years is questionable. As such we will continue to negotiate the maximum expenditure by TC in areas that are crucial to service delivery. In 2017/18 it appears TC have planned to set aside approximately £900,000 to various projects which are yet to be agreed. In addition TC has finally (in April 2017) agreed to spend on essential maintenance at Belhus Park Pool, although the ongoing delays in making this decision have left the pools in danger of closure due to failing plant. It remains to be seen if closure does not occur before the planned work starts during October 2017. Closures as a result of this work will last approximately 20 weeks, and TCL will need to plan for this to ensure the minimum disruption to customers and business income. For example swimming lessons will as far as reasonably practicable be distributed between the other sites in Thurrock.

TCL will consider introducing membership only access to all customers during 2017/18, although in its most basic form this membership will be free of charge. This new access policy will improve safety and security, whilst providing improved data and new 'insight', which will enable better more targeted services to be provided in future.

TCL will take all opportunities to maximise the customer use and engagement with its Mobile APP, resulting in improved customer accessibility, convenience and time saving, along with reduced time spent in reception.

STRATEGIC REPORT

Plans for the future - continued

TCL will continue to improve its existing services and seek to provide new services either from existing facilities, new facilities or out in the community. TCL will continue to seek to work with other local authorities, although this has continued to prove difficult. Further expansion, or joint work with other like-minded organisations/trusts in future, including schools and the new 'health organisations', acquisitions or new facilities will enable TCL to become more efficient and provide best value to the local area, as well as the new areas in which it may work.

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

Other the short and medium-term facility improvements include:-

Blackshots

- Seeking external funding for a refurbishment of Blackshots' pool changing rooms
- Continuous redecoration and facility improvement
- Investigating expansion and refurbishment of the dry changing rooms and its relationship with the health suite facility.

Belhus Park

- Managing the improved facility to grow membership income
- Install wash pad.

Civic Hall

- Assess the viability of installing a LED lighting scheme in the foyer
- Kitchen Floor replacement costing
- Investigate disabled access provision to Green Rooms and stage.

Corringham

- Minor refurbishment of the gym and equipment renewal.

General

- Improving the external building façades at the sites
- 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
- Seeking external funds for applicable investments or services
- Further security improvements.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

STRATEGIC REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Appointment of trustees
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.

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 appoint new members and trustees at board meetings and 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.

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 and its neighbourhood. TCL came into existence when TC transferred leisure and cultural services to TCL on 10 January 2000.

TCL is a registered charity and company limited by guarantee.

TCL is governed by a board of 11 trustees and each trustee guarantees 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 2017 was 11 (2016 - 11).

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

As a charity, TCL is a non-profit distributing organisation. Therefore, members or trustees do not receive any dividend, as all surpluses must be invested to pursue the charitable objectives of the company.

The trustees have overall responsibility for the organisation and its efficient operation. However, as volunteers the trustees appoint a Chief Executive (CEO, Mike Baden), to whom they delegate responsibility for undertaking the work that is required to ensure that organisation is operated efficiently, and in accordance with its objects. The trustees have agreed a delegated authority framework, which sets out the responsibilities of the trustees and management. In addition, the trustees are aware that they have expert advice available to them from their auditors, legal advisors, bank and health and safety advisors. The trustees use the 'Code of Good Governance' as a framework to govern TCL in line with best practice principles.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees
The trustees have agreed a Governance Manual, which provides information about TCL, including its history, structure, governance, legal standing, agreements with related parties, procedures at meetings, shared contact information, information about being a trustee (Charity Commission) and other sources of information.

Once appointed new trustees are inducted by the CEO and Company Secretary using the governance manual as a guide.

Occasionally training is provided to the trustees as a group, in the past this has included governance, risk analysis and financial responsibility training. In addition, individual trustees are encouraged to attend training provided by auditors and legal advisors on a range of subjects.

During the year some Trustees have worked with the Group Finance Manager to develop some new internal control procedures and audits. The Trustees have started to use these to structure some 'spot checks' at a site of their choosing check that procedures are in place and being followed. The Trustees aim to carry out checks against a selection of sites across all of the controls on an annual basis.

Remuneration policy for key management personnel
TCL have a Remuneration Policy which is a Group policy. This policy is posted on IL's website no more than two clicks away from the home page.

Senior management staff who support the activities of TCL and the Board are employed by the holding company Impulse Leisure. As these senior managers work indirectly for TCL they are not included in this report because TCL purchase their services as part of a charge made for the whole service IL provide to TCL.

The Group is committed to ensuring a proper balance between paying staff and others who work for it so that only the best people are recruited and retained. Whilst TCL remuneration is generally competitive within the leisure industry it does not compete on pay with other industries. Leisure remains a low pay industry.

When determining the salary for a post, IL will collect information about comparable roles where possible, preferably within the Leisure sector. This information will be used to benchmark TCL salaries, normally aiming to set them at a level that appears to represent the market / local area. IL will also seek advice from peers within other organisations where they employ people in similar roles. To this end IL benchmark with other south east leisure centre operators (SELCO) and the Sport and Recreation Trust Association (SPORTA). SPORTA represent charitable organisations who provide leisure and cultural services.

All posts meet the minimum requirements in respect of the National Minimum Wage, which is reviewed and amended where required in October each year (NMW is now reviewed in April from April 2017 onwards).

All employees working for TCL will be paid at least the National Living Wage (NLW) of £7.50 with effect from 1st April 2017, this is regardless of age. This action is designed to help improve, the current poor staff turnover, recruitment and retention.

Salaries for the majority of posts will comprise a band made up of a series of salary points. Other posts have a flat rate salary. All salaries are openly stated in job adverts.

Post-holders will progress up to the next salary point within their band at the beginning of each new financial year, subject to having received a satisfactory annual appraisal (Development and Review Time (DART) and performance assessment) and having achieved their key performance indicators for the year. Following the annual appraisal (DART), an employee's manager will make a recommendation to the Chief Executive as to whether a progression up to the next band has been merited.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Remuneration policy for key management personnel - continued
'Annual' Pay Award and Adjustments - During the budget setting process (in around November/December) each year, for implementation in the following new financial year (April), the IL management team will consider whether the salary points for all staff should be adjusted for the forthcoming financial year beginning 1st April, to reflect changes in cost of living.

The considerations will begin with an assumption that salaries should be adjusted to match inflation (specifically the Consumer Price Index) over the preceding 12-months. Further consideration will then determine whether this is appropriate in the context of:-
i. TCL's financial situation - can it afford the CPI linked increase and is it sustainable?
ii. TCL's performance - have KPIs been met?
iii. Previous pay awards made in recent years
iv. Pay reviews elsewhere - how might a failure to follow wider trends be perceived amongst staff, within peer organisations
v. Overall affordability and sustainability - can TCL realistically afford it now and can it sustain it moving forwards?
vi. TCL's ability to attract and retain suitable staff in sufficient numbers to deliver a consistent service level.

Based on the above, the management team will make a recommendation to the Trustees to approve any annual pay award. If approved, annual pay awards will normally be applied equally to all staff including senior managers. In April 2017 most staff are benefitting from a minimum 4% pay increase.

In order to close (and or maintain the gap) to the Living Wage (Living Wage Foundation) some lower paid posts may receive a larger pay increase, where affordable and sustainable, whilst having regard to maintain a level of positive pay differential for those in more senior positions.

The Chief Executive has the responsibility to make any adhoc decisions regarding salary changes for any position/post holder. Any decision/s regarding the salary of the Chief Executive and senior managers is made by the Impulse Leisure Trustees. The Senior Management Team does not have delegated authority in matters relating to their own remuneration, and any recommendations or decisions must be ratified by the Trustees prior to implementation.

By nature of previous arrangements (TUPE transfers), some staff have previously opted to join the Local Government Pension Scheme (LGPS) in accordance with the respective Admission Agreement with Essex County Council.

For those staff who are not members of the LGPS, the Group complies with its statutory auto-enrolment duties in accordance with Part 1 of the Pensions Act 2008, where employees will be automatically enrolled into a defined contribution pension scheme from the date required by the Pensions Act 2008. Details are notified to each individual separately, including what he/she would need to do should they wish to opt out of membership. In this regard, the Group uses NEST to fulfil auto-enrolment obligations.

All staff, regardless of whether entitled/not entitled/eligible have the opportunity to join NEST on request. Furthermore, Impulse Leisure (and the employee) pay contributions on total earnings, irrespective of age or earnings level. Employees can only be a member of one pension scheme.

Private Health Care - Historically some of the senior management team have private health care arrangements, to ensure that any ill-health is treated promptly, so the individual can continue/return to work with minimum absence. All private health care is declared on P11D and subject to tax in accordance in HMRC guidelines.

Use of Facilities by Employees - In order to promote health, fitness and wellbeing, employees may use the facilities free of charge, provided a paying member of the public is not prohibited from use because of an employee taking up space.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Remuneration policy for key management personnel - continued
Impulse Leisure Trustees are not paid for their work as a Trustee.

Trustees can be reimbursed for reasonable out of pocket expenses. They may also be paid for undertaking special work for the charity, provided that this meets with the Charity Commission guidance 'Payments to Charity Trustees - What the Rules Are'. However, Impulse Leisure will generally avoid engaging its Trustees for work and will only do so where there is no suitable alternative supplier of that work.

Policy for employment of disabled persons
TCL wholeheartedly supports the principle of equal opportunities and diversity in employment and opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, nationality, ethnic or national origin, religion/belief, unrelated criminal convictions, gender, gender re-assignment, sexual orientation, marital status / civil partnership, age or disability.

It is in TCL's best interests, and those of all who work in it, to ensure the human resources, talents and skills available throughout the organisation and community are considered when employment and or training opportunities arise.

TCL is 'positive about disability', and operates a Guaranteed Interview Scheme (GIS).

Statistical reports are compiled once the whole recruitment and selection process is complete, these show the ethnic/national background, gender, age, religion/religious belief and disability (if any) of all applications; those short-listed, and those offered employment.

TCL recognises that during employment a persons' capability to carry out their duties may deteriorate. This can be for several reasons, the most common ones being that either the job changes over a period, or because of health reasons (including disability). Should this be the case, TCL will make every effort to ensure staff receive adequate training and supervision to reduce any impact. Informal meetings are used in the first instance with a view to resolving any issues. TCL will also consider the possibility of a transfer to more suitable work, if this is possible. If issues persist TCL will normally seek a medical diagnosis and prognosis and with the benefit of this professional medical advice, consult with the employee to enable a decision to be made about the future, either in the current role or, where circumstances permit, in a more suitable role.

Where concerns about work arise due to the nature of a disability as defined under the Act, TCL will endeavour to make reasonable adjustments to work and/or working pattern wherever possible.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Employee information

Employees are provided with information in a number of ways including general electronic communication to personal email addresses, staff notice boards, staff newsletters (3 times per annum), staff forums (2 times per annum per site), team briefings, staff satisfaction survey (once per annum) and one to one meetings where appropriate. These communications are used to provide employees with relevant information on matters of concern to them, common awareness of the financial and economic factors affecting TCL's performance and seek the employees' views about the business and how it might be approved. In 2016 staff were paid Performance Related Pay (PRP) for the outcomes of the 2015/16 financial year and are aware that PRP may be applicable to future years should the financial performance of TCL be sufficient.

TCL recognise the trade union Unite and staff can seek their advice and support where applicable. TCL consult with Unite in line with the recognition agreement in place.

Related parties and relationships with other organisations

TCL is a subsidiary of the Group Parent Impulse Leisure (IL); IL being a non-profit-distributing-organisation. TCL buys its senior management, administration, finance, human resources, support and development function from IL and an Intra-Group Agreement governs this arrangement. Two TCL trustees are trustees of IL. Trustees of IL have no beneficial interest in the Group, TCL or TCL Trading Limited (TCLT).

TCL has a wholly owned subsidiary company known as TCLT. TCLT operates a golf shop, grounds maintenance function, 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 grant aided back to TCL. During 2016/17 TCL purchased £100 of B shares owned by the Golf Professional at face value. TCL now owns all of the share capital of TCLT.

Another charitable subsidiary, Adur Community Leisure is also part of the IL Group.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Modern Slavery Act 2015

TCL takes steps to prevent modern slavery and human trafficking in our business in accordance with the Modern Slavery Act 2015.

TCL's main activity is the supply of leisure services to the public, rather than the supply of goods, but TCL does purchase goods and services from other organisations (supply chain) to enable leisure services to be delivered.

TCL's supply chain mainly consists of the provision of goods from other organisations, all but one of which are based in the United Kingdom. The main areas of supply relate to repairs and maintenance, equipment, cleaning, utilities and catering. As part of the review for this statement TCL is in the process of questioning suppliers about their commitment to preventing modern slavery.

Procurement from these suppliers is a centralised function which requires the formation and use of only pre-approved suppliers. In this way TCL will have control in place for committed expenditure and also the option to complete due diligence and retrospective checks.

Procurement policy is designed to ensure we operate in a legal and ethical manner. All suppliers should commit to comply with all laws, regulations and TCL's policies and terms of supply. TCL take a zero-tolerance approach to abuse of human rights, slavery, servitude, forced or compulsory labour and human trafficking. Any supplier that fails to meet these standards will jeopardise their ability to trade with TCL.

TCL work closely with the community at all of its centres and have noted that the most vulnerable groups in the UK for modern slavery could include migrant workers, illegal immigrants, asylum seekers, homeless people, travellers and people suffering from learning difficulties. TCL already has detailed procedures, operating documents and training for safeguarding and is working on how staff can be educated on modern slavery and help identify anyone in the community that may be at risk of abuse.

IL has strict HR policies and procedures that ensure compliance with legislation and ensures fair and equal treatment, dignity at work and prevents discrimination. IL policies and operating documents are available to all staff. Staff are encouraged to report any activity they believe to be in breach of any operating standards or policies.

TCL is committed to ensuring there is no modern slavery or human trafficking in any part of our business and will -

- Identify and assess risks in the supply chain and ensure compliance from suppliers
- Provide training for staff on these risks
- Protect whistle blowers.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Thurrock Community Leisure Limited 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- 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 group 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 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.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 23 August 2017 and signed on the board's behalf by:

Derek Stanton
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THURROCK COMMUNITY LEISURE LIMITED GROUP

We have audited the consolidated financial statements of Thurrock Community Leisure Limited for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the group and parent balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 (the financial reporting standard applicable in the UK and R.O.I.).

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 sixteen, 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 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 group's and 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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Report of the Trustees:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THURROCK COMMUNITY LEISURE LIMITED GROUP

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
Kent
ME10 4AE

Date: 23rd August 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	31.03.17 Total funds £	Unrestricted funds £	Restricted funds £	31.03.16 Total funds £
INCOME							
Charitable activities							
Leisure Centres	2	5,072,315	87,422	5,159,737	4,811,423	57,076	4,868,499
Civic Hall	2	389,397	-	389,397	425,482	67,155	492,637
Office and Cottage Rent	2	52,104	-	52,104	45,131	-	45,131
Other trading activities	3	220,587	-	220,587	219,826	-	219,826
Investments	4	17,209	-	17,209	14,241	-	14,241
Other income	5	665,000	-	665,000	-	-	-
Total income		6,416,612	87,422	6,504,034	5,516,103	124,231	5,640,334
EXPENDITURE							
Raising funds	7	123,798	-	123,798	133,492	-	133,492
Charitable activities							-
Leisure Centres	7	4,524,593	123,430	4,648,023	4,456,596	81,389	4,537,985
Civic Hall	7	477,602	-	477,602	415,492	67,155	482,647
Office and Cottage Rent	7	16,620	-	16,620	15,310	-	15,310
Trading activities	6	579,334	-	579,334	531,395	-	531,395
Total resources expended		5,721,947	123,430	5,845,377	5,552,285	148,544	5,700,829
Net income/(expenditure) for the year before other recognised gains and losses		694,665	(36,008)	658,657	(36,182)	(24,313)	(60,495)
Transfers between funds	20	100	(100)	-	-	-	-
Actuarial gains/(losses) on defined benefit pension scheme	21	(527,000)	-	(527,000)	159,000	-	159,000
Net movement in funds		167,765	(36,108)	131,657	122,818	(24,313)	98,505
RECONCILIATION OF FUNDS							
Total funds brought forward	20	1,230,587	42,996	1,273,583	1,107,769	67,309	1,175,078
TOTAL FUNDS CARRIED FORWARD	20	1,398,352	6,888	1,405,240	1,230,587	42,996	1,273,583

CONTINUING OPERATIONS
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

BALANCE SHEETS
AT 31 MARCH 2017

	Note	The Group		The Charitable Company	
		31.03.17	31.03.16	31.03.17	31.03.16
		£	£	£	£
FIXED ASSETS					
Tangible assets	11	2,725,551	2,584,851	2,625,073	2,554,988
Investments	12	11,763	23,525	21,763	33,425
		2,737,314	2,608,376	2,646,836	2,588,413
CURRENT ASSETS					
Stocks	14	42,717	58,144	27,236	36,279
Debtors	15	545,418	171,022	577,403	214,071
Short term deposits		405,000	405,000	405,000	405,000
Cash at bank and in hand		635,580	453,164	595,075	403,160
		1,628,715	1,087,330	1,604,714	1,058,510
CREDITORS					
Amounts due <1 year	16	(835,241)	(743,552)	(783,742)	(717,360)
NET CURRENT ASSETS		793,474	343,778	820,972	341,150
TOTAL ASSETS LESS CURRENT LIABILITIES		3,530,788	2,952,154	3,467,808	2,929,563
CREDITORS					
Amounts due >1 year	17	(484,548)	(578,571)	(434,578)	(568,990)
NET ASSETS EXCLUDING PENSION LIABILITY		3,046,240	2,373,583	3,033,230	2,360,573
PENSION LIABILITY	21	(1,641,000)	(1,100,000)	(1,641,000)	(1,100,000)
TOTAL NET ASSETS		1,405,240	1,273,583	1,392,230	1,260,573
FUNDS	20				
Restricted funds		6,888	42,996	6,888	42,896
Unrestricted funds:					
Designated funds		1,641,000	1,100,000	1,641,000	1,100,000
General funds		1,385,442	1,217,677	1,385,342	1,217,677
Non charitable trading funds		12,910	12,910	-	-
Pension reserve		(1,641,000)	(1,100,000)	(1,641,000)	(1,100,000)
Total unrestricted funds		1,398,352	1,230,587	1,385,342	1,217,677
TOTAL FUNDS		1,405,240	1,273,583	1,392,230	1,260,573

The financial statements were approved by the Board of Trustees on 23 August 2017 and were signed on its behalf by:

Derek Stanton
Chair

The notes form part of these financial statements

continued...

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31.03.17 £	31.03.16 £
Cash flows from operating activities	1	**668,710**	**96,890**
Cash flows from investing activities			
Dividends, interest and rent from investments		17,209	14,241
Purchase of tangible fixed assets		(442,287)	(703,986)
Cash used on investing activities		**(425,078)**	**(689,745)**
Cash flows from financing activities			
Repayment of borrowing		(230,773)	(187,414)
New finance leases		169,557	183,315
Cash used in financing activities		**(61,216)**	**(4,099)**
Increase / (decrease) in cash and cash equivalents in the year		182,416	(596,954)
Cash and cash equivalents at the beginning of the year		858,164	1,455,118
Total cash and cash equivalents at the end of the year		**1,040,580**	**858,164**

The notes form part of these financial statements

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

1. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.03.17	31.03.16
	£	£
Net incoming resources before other recognised gains and losses	658,657	(60,495)
Depreciation charges	301,585	241,735
Amortisation on investments	11,763	11,763
Actuarial pension scheme charges	14,000	24,000
Dividends, interest and rent from investments	(17,209)	(14,241)
(Increase) / decrease in stocks	15,427	7,033
(Increase) / decrease in debtors	(374,396)	(48,518)
Increase / (decrease) in creditors	58,883	(64,387)
Net cash inflow from operating activities	668,710	96,890

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

1. 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (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. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary TCL Trading Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes to the charitable company's balance sheet. A separate statement of financial activities, 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 Companies Act 2006.

The presentational currency of the financial statements is the Pound Sterling (£). Amounts included in the financial statements are rounded to the nearest Pound Sterling (£).

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

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.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1. ACCOUNTING POLICIES - continued

Allocation of support costs
Resources expended are allocated to the particular activity where the cost relates directly to the activity. 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 bases which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives, and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance 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

- Cost of raising funds	1%
- Leisure centres	90%
- Civic Hall	8%
- Office and cottage rental	1%

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.

Tangible fixed assets
Items of equipment are capitalised where the purchase price exceeds £30,000. 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.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	10-40 years
Assets on finance lease	over the length of the lease

Investment in subsidiary
Investment in the subsidiary is stated at cost.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments
Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in 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.

Operating lease rental charges are charged on a straight line basis over the term of the lease.

Pension costs and other post-retirement benefits
The Charitable Company accounts for the pension scheme in accordance with the Financial Reporting Standard 102. The Charitable Company operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2016.

The Charitable Company provides pension benefits for eligible staff through a Essex County Council administered pension scheme. The Essex County Council administered scheme is a multi-employer scheme which provides benefits based upon final pensionable pay. For defined benefit schemes the amounts charged to resources expended on charitable activities are the current service costs and any gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately if the benefits are vested. If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

The defined benefit scheme is funded, and the assets of the scheme are held separately from those of the charity in a trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on long dated high quality corporate bonds of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Contributions made by the Charitable Company to defined contribution pension schemes are charged to the Statement of Financial Activities as they are incurred.

1. ACCOUNTING POLICIES - continued

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. ACCOUNTING POLICIES - continued

Impairment of non-financial assets
At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the group'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 present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 March 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	31.03.17 Total £	31.03.16 Total £
Funding income	-	87,422	87,422	57,076
Leisure centres income	5,072,315	-	5,072,315	4,811,423
Sub-total for leisure centres	5,072,315	87,422	5,159,737	4,868,499
Veolia funding	-	-	-	67,155
Civic Hall income	389,397	-	389,397	425,482
Sub-total for Civic Hall	389,397	-	389,397	492,637
Office and cottage rent	52,104	-	52,104	45,131
Total income from charitable activities	5,513,816	87,422	5,601,238	5,406,267

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	31.03.17 Total £	31.03.16 Total £
Golf club, shop and bar	220,587	-	220,587	219,826
	220,587	-	220,587	219,826

4. INCOME FROM INVESTMENTS

	Unrestricted £	Restricted £	31.03.17 Total £	31.03.16 Total £
Solar panel investment income	10,802	-	10,802	11,085
Interest receivable	6,407	-	6,407	3,156
	17,209	-	17,209	14,241

5. OTHER INCOME

	Unrestricted	Restricted	31.03.17 Total	31.03.16 Total
	£	£	£	£
Exceptional items	665,000	-	665,000	-
	665,000	-	665,000	-

Other income includes exceptional income £665,000 relating to the sale of land in the year.

6. TRADING ACTIVITY COSTS

	Unrestricted	Restricted	31.03.17 Total	31.03.16 Total
	£	£	£	£
Staff costs	280,843	-	280,843	266,236
Other trading costs	298,491	-	298,491	265,159
	579,334	-	579,334	531,395

7. ANALYSIS OF EXPENDITURE

		Charitable activities					31.03.17	31.03.16
	Cost of raising funds	Leisure centres	Civic hall	Office and cottage rent	Governance costs	Support costs	Total	Total
	£	£	£	£	£	£	£	£
Staff costs	-	1,726,870	132,094	-	-	325,381	2,184,345	2,011,314
Promotion and publicity	107,178	-	-	-	-	-	107,178	118,182
Premises costs	-	900,498	52,074	-	-	342,900	1,295,472	1,160,311
Purchases for resale	-	169,174	137,844	-	-	-	307,018	340,770
Office administration costs	-	355,702	22,632	-	-	898,677	1,277,011	1,473,705
Audit and accountancy	-	-	-	-	8,000	-	8,000	8,600
Legal and professional	-	-	-	-	-	87,019	87,019	56,552
	107,178	3,152,244	344,644	-	8,000	1,653,977	5,266,043	5,169,434
Support costs	16,540	1,488,579	132,318	16,540	-	(1,653,977)	-	-
Governance costs	80	7,200	640	80	(8,000)	-	-	-
Total expenditure 2017	123,798	4,648,023	477,602	16,620	-	-	5,266,043	
Total expenditure 2016	133,492	4,537,985	482,647	15,310	-	-		5,169,434

8. NET INCOME/(EXPENDITURE)

Net income / (expenditure) is stated after charging/(crediting):

	31.03.17	31.03.16
	£	£
Depreciation	301,586	241,735
Interest payable	12,791	16,804
Operating lease rentals	56,920	88,219
Auditors' remuneration		
- Audit	9,000	11,200
- Other services	2,500	850

9. TRUSTEES' REMUNERATION AND BENEFITS

Trustees only receive remuneration in respect of the services they provide undertaking the roles of staff and not in respect of their services as Trustees. The value of Trustees' remuneration was as follows:

J Muggeridge:			
	Remuneration	2017: £1,134	2016: £650
	Employer's pension	2017: £nil	2016: £nil
M Couldridge:	(appointed 24/10/16)		
	Remuneration	2017: £11,991	2016: n/a
	Employer's pension	2017: £118	2016: n/a

No charity trustee received payment in the year for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses

No trustees' expenses representing the payment or reimbursement of travel and subsistence costs were paid in the year ended 2017 or the year ended 2016.

10. STAFF COSTS

	31.03.17	31.03.16
	£	£
Wages and salaries	2,212,971	2,031,016
Social security costs	115,425	97,747
Employer's contribution to defined contribution pension schemes	11,792	10,787
Employer's contribution to defined benefit pension schemes	111,000	114,000
Operating cost of defined benefit pension schemes	14,000	24,000
	2,465,188	2,277,550

The total employee benefits including pension contributions of the key management personnel was £281,051 (2016: £278,000).

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

	31.03.17	31.03.16
Leisure centres	150	158
Civic hall	19	19
Other trading activities	18	18
Support	8	8
	195	203

No employees received emoluments in excess of £60,000.

11. TANGIBLE FIXED ASSETS

The Group	Improvements to leasehold property	Plant and machinery on finance lease	Totals
	£	£	£
COST			
At 1 April 2016	3,958,216	660,930	4,619,146
Additions	272,729	169,557	442,286
At 31 March 2017	4,230,945	830,487	5,061,432
DEPRECIATION			
At 1 April 2016	1,878,449	155,846	2,034,295
Charge for year	133,556	168,030	301,586
At 31 March 2017	2,012,005	323,876	2,335,881
NET BOOK VALUE			
At 31 March 2017	2,218,940	506,611	2,725,551
At 31 March 2016	2,079,767	505,084	2,584,851

11. TANGIBLE FIXED ASSETS - continued

The Charitable Company	Improvements to leasehold property	Plant and Machinery on finance lease	Totals
	£	£	£
COST			
At 1 April 2016	3,841,199	613,576	4,454,775
Additions	249,945	83,291	333,236
At 31 March 2017	4,091,144	696,867	4,788,011
DEPRECIATION			
At 1 April 2016	1,767,273	132,514	1,899,787
Charge for year	129,331	133,820	263,151
At 31 March 2017	1,896,604	266,334	2,162,938
NET BOOK VALUE			
At 31 March 2017	2,194,540	430,533	2,625,073
At 31 March 2016	2,073,926	481,062	2,554,988

12. FIXED ASSET INVESTMENTS

The Group	Solar Panels	Totals
	£	£
COST		
At 1 April 2016 and 31 March 2017	58,813	58,813
AMORTISATION		
Amortisation b/f	35,288	35,288
Amortisation for year	11,762	11,762
At 31 March 2017	47,050	47,050
NET BOOK VALUE		
At 31 March 2017	11,763	11,763
At 31 March 2016	23,525	23,525

TCL investments include £11,763 relating to investment by TCL in solar panels installed on the roof of WCRA, which is operated by Adur Community Leisure Limited, 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 feed in tariffs.

12. FIXED ASSET INVESTMENTS - continued

The Charitable Company	Solar Panels	Shares in group undertakings	Totals
		£	£
COST			
At 1 April 2016	58,813	9,900	68,713
Additions	-	100	100
At 31 March 2017	58,813	10,000	68,813
AMORTISATION			
Amortisation b/f	35,288	-	35,288
Amortisation for year	11,762	-	11,762
At 31 March 2017	47,050	-	47,050
NET BOOK VALUE			
At 31 March 2017	11,763	10,000	21,763
At 31 March 2016	23,525	9,900	33,425

12. FIXED ASSET INVESTMENTS - continued

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

Subsidiary

TCL Trading Limited
Nature of business: Golf shop, bar, catering, maintenance services

Class of share:	% holding
Ordinary share capital	100

The charitable company owns the whole of the issued 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 bases 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:

	31.03.17	31.03.16
	£	£
Turnover	596,097	574,500
Cost of sales	(251,964)	(242,076)
Gross profit	344,133	332,424
Administrative expenses	(337,369)	(299,319)
Operating profit / (loss)	6,764	33,105
Interest payable	-	-
Profit / (loss) on ordinary activities	6,764	33,105
Deed of covenant to parent undertaking	(6,764)	(33,672)
Profit / (loss) for the financial year	-	(567)

The aggregate of the assets, liabilities and funds was:

Assets	170,299	109,620
Liabilities	(147,389)	(86,710)
Share Capital	(10,000)	(10,000)
Funds	12,910	12,910

13. PARENT CHARITABLE COMPANY

The parent charitable company's gross income and the results for the year are disclosed as follows:

	31.03.17	31.03.16
	£	£
Gross income	6,300,210	5,278,703
Net result for the year	131,657	99,071

14. STOCKS

	The group		The charitable company	
	31.03.17	31.03.16	31.03.17	31.03.16
	£	£	£	£
Stocks	42,717	58,144	27,236	36,279
Stocks recognised as an expense in the period	409,493	435,329	307,018	340,770

15. DEBTORS

	The group		The charitable company	
	31.03.17	31.03.16	31.03.17	31.03.16
Amounts falling due within one year:	£	£	£	£
Trade debtors	71,339	79,022	65,022	72,994
Other debtors	-	-	38,302	49,077
Amounts due from other group members	80,553	70,013	80,553	70,013
Prepayments	33,526	21,987	33,526	21,987
	185,418	171,022	217,403	214,071

	The group		The charitable company	
	31.03.17	31.03.16	31.03.17	31.03.16
Amounts falling due after more than one year:	£	£	£	£
Amounts due from other group members	360,000	-	360,000	-
	360,000	-	360,000	-
	545,418	171,022	577,403	214,071

The charity has extended a loan to Adur Community Leisure Limited (part of Impulse Leisure Group) which is repayable over a term of 6 years at an interest rate of 7% fixed with the first capital repayment falling due in April 2018. It has therefore been classified as an amount falling due after more than one year.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The charitable company	
	31.03.17	31.03.16	31.03.17	31.03.16
	£	£	£	£
Trade creditors	88,449	38,629	60,941	30,904
Loans	65,057	60,576	65,057	60,576
Accruals	232,891	230,996	227,391	225,107
Income in advance	30,849	21,533	30,849	21,533
VAT payable	-	3,064	7,518	4,927
Thurrock Council	250,000	250,000	250,000	250,000
Lease liability	165,481	137,156	139,373	122,715
Other creditors	2,514	1,598	2,613	1,598
	835,241	743,552	783,742	717,360

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

	The group		The charitable company	
	31.03.17	31.03.16	31.03.17	31.03.16
	£	£	£	£
Consolidated Blackshots / Gym Hub loan	143,418	210,643	143,418	210,643
Lease liabilities due 2 – 5 years	341,130	367,928	291,160	358,347
	484,548	578,571	434,578	568,990

The charity has a loan from Thurrock Borough Council which commenced in November 2009 and was initially due for repayment in November 2014. The charity is still in negotiations for the repayment of the loan. It has therefore been classified as an amount falling due within one year.

The charity has a loan with National Westminster Bank PLC which commenced in March 2015 and is repayable over 5 years in instalments. Interest is chargeable at 5% over base rate. The previous National Westminster loan balance has been consolidated with the new loan facility.

18. OPERATING LEASE COMMITMENTS

The group's minimum lease payments under non-cancellable operating leases fall due as follows:

Equipment

	31.03.17	31.03.16
	£	£
Within one year	25,652	56,069
Between one and five years	23,514	49,166
	49,166	105,235

The charitable company's minimum lease payments under non-cancellable operating leases fall due as follows:

Equipment

	31.03.17	31.03.16
	£	£
Within one year	25,652	53,209
Between one and five years	23,514	49,166
	49,166	102,375

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.03.17 Total funds	31.03.16 Total funds
	£	£	£	£
Fixed assets	2,725,551	-	2,725,551	2,584,851
Investments	11,763	-	11,763	23,525
Current assets	1,621,827	6,888	1,628,715	1,087,330
Current liabilities	(835,241)	-	(835,241)	(743,552)
Long term liabilities	(484,548)	-	(484,548)	(578,571)
Pension liability	(1,641,000)	-	(1,641,000)	(1,100,000)
	1,398,352	6,888	1,405,240	1,273,583

20. MOVEMENT IN FUNDS

	At the start of the year	Incoming resources	Outgoing resources	Transfers and gains	At the end of the year
	£	£	£	£	£
Restricted funds:					
Leisure Centre	42,896	87,422	(123,430)	-	6,888
B shares in subsidiary	100	-	-	(100)	-
Total restricted funds	42,996	87,422	(123,430)	(100)	6,888
Unrestricted funds:					
Designated pension fund	1,100,000	-	-	541,000	1,641,000
General funds of TCL	1,217,677	5,820,515	(5,118,614)	(534,136)	1,385,442
General funds of TCL Trading	12,910	596,097	(589,333)	(6,764)	12,910
Total general funds	2,330,587	6,416,612	(5,707,947)	100	3,039,352
Pension fund	(1,100,000)	-	(14,000)	(527,000)	(1,641,000)
Total unrestricted funds	1,230,587	6,416,612	(5,721,947)	(527,000)	1,398,352
Total funds including pension fund	**1,273,583**	**6,504,034**	**(5,845,377)**	**(527,000)**	**1,405,240**

Purposes of restricted funds
Funding from Thurrock Council and Lottery Funding was received in 2015/16 for various programmes to promote physical activity, health and wellbeing in the community.

Funding was received in 2016/17 from Sport England for the Make Your Move initiative. The project is a joint project with Adur Community Leisure, forming part of the 'Sporta Family Series'.

B shares in subsidiary funds represent the carrying value of non-voting B shares in TCL Trading Limited. These shares carry no right to distribution of profits.

Purposes of designated funds
The pension fund covers the actuarial valuation of the pension scheme.

21. EMPLOYEE BENEFIT OBLIGATIONS

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 2016.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.03.17	31.03.16
	£	£
Present value of funded obligations	(6,002,000)	(4,811,000)
Fair value of plan assets	4,361,000	3,711,000
	(1,641,000)	(1,100,000)
Deficit	(1,641,000)	(1,100,000)
Liability	(1,641,000)	(1,100,000)

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.03.17	31.03.16
	£	£
Current service cost	83,000	96,000
Net interest from net defined benefit asset/liability	(409,000)	198,000
	(326,000)	294,000
Actual return on plan assets	435,000	(36,000)

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.03.17	31.03.16
	£	£
Opening defined benefit obligation	4,811,000	4,768,000
Current service cost	83,000	96,000
Contributions by scheme participants	26,000	27,000
Interest cost	182,000	162,000
Obligation experience	(279,000)	-
Actuarial losses/(gains)	1,278,000	(195,000)
Benefits paid	(62,000)	(47,000)
Actuarial (gains)/losses from changes in demographic assumptions	(37,000)	-
	6,002,000	4,811,000

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.03.17	31.03.16
	£	£
Opening fair value of scheme assets	3,711,000	3,533,000
Interest on assets	142,000	122,000
Administration expenses	(2,000)	(2,000)
Contributions by employer	111,000	114,000
Contributions by scheme participants	26,000	27,000
Expected return	591,000	(36,000)
Actuarial gains/(losses)	(156,000)	-
Benefits paid	(62,000)	(47,000)
	4,361,000	3,711,000

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.03.17	31.03.16
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	37,000	-
Actuarial gains/(losses)	(564,000)	159,000
	(527,000)	159,000

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.03.17	31.03.16
Equities	68%	68%
Gilts	4%	3%
Equities	4%	5%
Property	10%	12%
Cash	3%	3%
Other managed funds	4%	5%
Alternative assets	7%	4%

Asset breakdown	31.03.17	31.03.16
Equities	2,979	2,512
Gilts	165	109
Other bonds	177	178
Property	424	442
Cash	131	121
Alternative assets	291	165
Other managed funds	194	184
Total	4,361	3,711

Projected employer contributions for the year ending 31 March 2018 are £112,000.

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	31.3.17	31.3.16
Discount rate	2.8%	3.8%
Future salary increases	3.3%	3.2%
Future pension increases	2.3%	2.2%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£	£	£
Adjustment to discount rate			
	+0.1%	0.0%	-0.1%
Present value of total obligation	5,872,000	6,002,000	6,135,000
Projected service cost	131,000	134,000	137,000
Adjustment to long term salary increase			
	+0.1%	0.0%	-0.1%
Present value of total obligation	6,019,000	6,002,000	5,986,000
Projected service cost	134,000	134,000	134,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	6,119,000	6,002,000	5,888,000
Projected service cost	137,000	134,000	131,000
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	6,207,000	6,002,000	5,804,000
Projected service cost	138,000	134,000	130,000

Amounts for the current and previous four periods are as follows:

	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Defined benefit pension plans	£	£	£	£	£
Defined benefit obligation	(6,002,000)	(4,811,000)	(4,768,000)	(4,439,000)	(4,172,000)
Fair value of scheme assets	4,361,000	3,711,000	3,533,000	3,000,000	2,704,000
Deficit	(1,641,000)	(1,100,000)	(1,235,000)	(1,439,000)	(1,468,000)

22. ULTIMATE PARENT COMPANY

The parent company is Impulse Leisure Limited, company registration number 05220291. The parent's principal purposes relate to the management of its charitable subsidiaries. The parent exercises control through its right to appoint or remove a majority of the board of trustees of the charitable company.

23. RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose for 2017 (2016: £nil) other than those disclosed in note 15.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

24. LEGAL STATUS OF THE CHARITY

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.