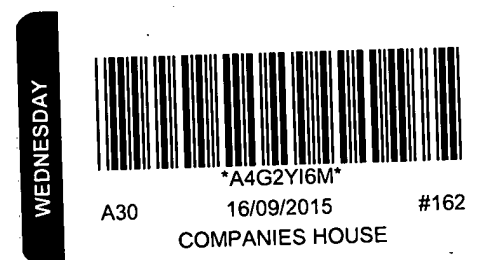


Company number: 3782811
Charity Number: 1080186

Thurrock Community Leisure Limited

Report and financial statements
For the year ended 31 March 2015



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Thurrock Community Leisure Limited

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Thurrock Community Leisure Limited

Reference and administrative details

For the year ended 31 March 2015

Company number 3782811

Charity number 1080186

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

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

Derek Stanton Chair
Chris Seamark
Geoffrey Bifield Resigned 20/08/14
Laura Miller
Tunde Ojetola
Jane Muggeridge
Lynn Worrall Resigned 02/07/14
Stuart Moon Resigned 20/08/14
Kylie Major Resigned 20/08/14
Brian Grayston
Tony Fish Appointed 02/07/14
Wayne Warner Appointed 20/10/14

Bankers National Westminster Bank Plc
17 High Street
Grays
ESSEX
RM17 6NP

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

Auditors Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Report of the trustees

For the year ended 31 March 2015

The trustees present their report and the audited financial statements for the year ended 31 March 2015.

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

Structure governance and management

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

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

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

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

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

Thurrock Council elects two representatives to the board annually, although for continuity TC has in the past proposed that the same councillors continue to be trustees of TCL whenever possible.

The trustee board may appoint any person willing to be a trustee in seeking to provide a broad range of skills on the board. No decision on such appointments shall be taken unless TC appointed trustees have first been consulted, or reasonable steps have been taken to allow such consultation.

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

Trustees of TCL guarantee to contribute an amount not exceeding £1 to the assets of TCL in the event of winding up. The total number of such guarantees at 31 March 2015 was 12 (2014 – 10).

Report of the trustees

For the year ended 31 March 2015

Should there be a need to attract new trustees to the board, then the membership of TCL can be consulted to put prospective trustees forward, in addition adverts are placed at the sites and in appropriate media including various websites.

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

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

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

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

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

Objectives and activities

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

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

TCL's priorities include –

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

A full review of the activities of TCL throughout 2014/2015 is published in the 2014/2015 Annual Report.

Report of the trustees

For the year ended 31 March 2015

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

Achievements and performance

All centres retaining their QUEST (the leisure industry quality standard) registration.

We continued to improve and extend the services we provide. In addition to normal planned and preventative maintenance, there has been a number of refurbishment and upgrade projects across the sites most notably –

Blackshots Leisure Centre and Civic Hall –

- The reception lighting was replaced with more energy efficient LED fittings
- The gym was refurbished and new equipment was installed
- There were a number of successful shows at the Civic Hall.

Belhus Park Leisure Centre and Golf Course –

- General remedial work and redecoration was undertaken
- There has been significant debate about the future development of Belhus Park, which now largely resolved should see significant improvements coming soon
- New intruder alarms and boilers were fitted at Capability Brown.

Corringham Leisure Centre –

- Following last year's gym remodelling and equipment changes significant customer satisfaction improvements were recorded
- The café was closed on the grounds of efficiency.

Generally –

- The Group (including TCL) achieved ISO14001 (the international standard for energy and environmental good practice)
- New telephone systems were installed
- A significant amount of ICT hardware was replaced
- Funding has been secured to install bicycle storage facilities at each of the sites.

The above improvements demonstrate our commitment to continuous improvement, make our facilities more attractive to new customers and obviously increase the value for money our existing customers receive.

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

- Sickness absence rates were maintained at low levels
- Staff turnover reduced
- Continuous safety improvements were made
- 5 apprentices were recruited and provided they meet the relevant standards are guaranteed jobs at the end of their apprenticeship

Report of the trustees

For the year ended 31 March 2015

- Continuous procedural improvements, mainly attempting to improve service delivery
- Significant negotiations have been undertaken with a view to surrendering part of our leased land at Belhus Park to Aveley Football Club. This is likely to result in a significant capital receipt during 2015
- Planning permission was granted for premises in Wickford (The Gym Hub), within which work has been ongoing to create a new low cost gym facility. Wickford (Gym Hub) opened on 6th May 2015. The new Gym has been very well received and is currently performing better than target.
- Provided increased numbers of programmes to disadvantaged groups and within the community, promoting health improvement
- Managed TC's Beat the Street Project encouraging individuals and teams to increase their physical activity through tracked walking games. This project was a highly commended finalist in a national awards event
- TCL partnered Ockendon School in Thurrock's Next Top Boss business challenge and the school students won.

Finance

TCL produced a very good surplus for the year which was much better than budget and which resulted in a positive contribution to reserves.

The surplus position was achieved as a result of good income results from most sites, investment interest and external funding, although expenditure particularly on maintenance and equipment was high.

The trading company TCLT made a small surplus during the year.

Activity income was better than target for the year mainly because of good membership, golf, catering (Blackshots) and Civic Hall performance. Belhus Park income failed to grow highlighting the need for investment.

Future Plans

As predicted grant funding came under pressure during 2014 with TC issuing notification that our jointly agreed arrangements were terminated early, due to TC's need to make significant savings. As such TCL will no longer be receiving any grant funding from TC. Management and the Board have been planning for the resultant loss of income and have produced a new Corporate Plan 2015/20, which maps out the actions required to make up this funding reduction. The new Corporate Plan includes financial projections indicating losses for the next two years, but returning to breakeven in 2017/18. The plan includes the use of approximately £350,000 of reserves over the next two years to fund the losses.

In the next two years and beyond we plan to build on the financial reserves of the organisation through concentrating efforts into making a success of our existing facilities and by investing into Belhus Park Leisure Centre. Investments at Belhus Park may change the mix of facilities provided in future, but these will make increasing operating surpluses. We will also maximise returns from our

Report of the trustees

For the year ended 31 March 2015

existing facilities including a positive return to operating surpluses from The Gym Hub during 2016/17.

As mentioned above there is the likelihood of a boost to reserves from a capital receipt for lease surrender at Belhus Park during 2015.

From 2015 onwards it appears that TC's commitment to any level of funding to provide a leisure service in future years, including landlord related property expenditure, is in doubt. As such we have been negotiating around options to take ownership of the facilities from the Council and terminating the existing leases. These negotiations are at an early stage and whilst any future ownership of the facilities will provide a boost to fixed assets on the balance sheet, they also come with a maintenance liability that was previously funded by TC.

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

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

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

Public Benefit statement

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

Continuous improvement to community facilities increases opportunities for all to become more physically active and healthy. In particular some community groups that require specialist attention are targeted to improve their health and wellbeing (see detail in Annual Report). TCL is actively expanding its work in the community, often in partnership with others, improving health, wellbeing, social inclusion and community safety.

Report of the trustees

For the year ended 31 March 2015

Reserves policy

Although the charity has been reliant on grant funding receivable from TC this has been at an increasingly reduced level. The charity is looking to increase income and reduce its costs to deal with a total loss of grant and or replace this grant with other grants for specific projects. The trustees and management team are aware of the ongoing need to increase the working capital base while also making commitments to continual improvements in and expansion of facilities.

Investment policy & performance

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

Statement of trustees' responsibilities

The trustees (who are also directors of Thurrock Community Leisure Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Thurrock Community Leisure Limited

Report of the trustees

For the year ended 31 March 2015

In so far as the trustees are aware:

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

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

Auditors

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

The report of the directors has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 26 August 2015 and signed on its behalf by



Derek Stanton
Chair

Independent auditors report

To the members of

Thurrock Community Leisure Limited

We have audited the financial statements of Thurrock Community Leisure for the year ended 31 March 2015 which comprise the consolidated statement of financial activities, balance sheets, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 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. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 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

Independent auditors report

To the members of

Thurrock Community Leisure Limited

- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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; or
- The trustees were not entitled to take advantage of the small companies exemption in preparing the report of the trustees

Joanna Pittman (Senior statutory auditor)

11 September 2015

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House, 104-118 Golden Lane, LONDON EC1Y 0TL

Thurrock Community Leisure Limited

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2015

	Note	Restricted £	Unrestricted £	2015 Total £	2014 Total £
Incoming resources:					
<i>Incoming resources from generated funds</i>					
Activities for generating funds:					
Golf club shop and bar		-	219,755	219,755	225,173
Office and Cottage rent		-	48,972	48,972	30,000
Investment income		-	52,079	52,079	26,649
<i>Incoming resources from charitable activities</i>					
Grant income	2	77,665	350,000	427,665	448,490
Fees & charges:					
Leisure centre income		-	4,367,930	4,367,930	4,124,650
Civic hall income		-	387,772	387,772	368,451
Total incoming resources		77,665	5,426,508	5,504,173	5,223,413
Resources expended:					
<i>Costs of generating funds:</i>					
Promotion & publicity	3a	-	238,851	238,851	211,402
Golf club shop and bar	3b	-	541,422	541,422	558,733
<i>Charitable expenditure</i>					
Leisure centres	4	19,955	3,994,963	4,014,918	4,015,235
Civic hall		-	399,216	399,216	381,230
Governance costs		-	80,673	80,673	77,923
Total charitable expenditure		19,955	4,474,852	4,494,807	4,474,388
Total resources expended		19,955	5,255,125	5,275,080	5,244,523
Net incoming/(outgoing) resources for the year before other recognised gains and losses	6	57,710	171,383	229,093	(21,110)
Actuarial gain on pension scheme	18	-	201,000	201,000	77,000
Movement in funds		57,710	372,383	430,093	55,890
Funds at the start of the year		9,599	735,386	744,985	689,095
Funds at the end of the year		67,309	1,107,769	1,175,078	744,985

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

Thurrock Community Leisure Limited

Balance sheets

Company no. 3782811

31 March 2015

	Note	The group 2015 £	2014 £	The charity 2015 £	2014 £
Fixed assets					
Tangible fixed assets	10	1,672,199	1,562,406	1,664,412	1,562,405
Investments	11,12	35,287	47,050	45,187	56,950
		<u>1,707,486</u>	<u>1,609,456</u>	<u>1,709,599</u>	<u>1,619,355</u>
Current assets					
Stock		65,177	71,042	43,858	47,747
Debtors	13	122,504	59,714	149,280	124,190
Short term deposits		630,000	930,000	630,000	930,000
Cash at bank and in hand		825,118	136,529	793,757	81,391
		<u>1,642,799</u>	<u>1,197,285</u>	<u>1,616,895</u>	<u>1,183,328</u>
Creditors: amounts due within 1 year	14	<u>417,625</u>	<u>268,756</u>	<u>407,411</u>	<u>250,945</u>
Net current assets		<u>1,225,174</u>	<u>928,529</u>	<u>1,209,484</u>	<u>932,383</u>
Total assets less current liabilities		<u>2,932,660</u>	<u>2,537,985</u>	<u>2,919,083</u>	<u>2,551,738</u>
Creditors: amounts falling due after more than one year	15	<u>522,582</u>	<u>354,000</u>	<u>522,582</u>	<u>354,000</u>
Net assets before pension deficit		<u>2,410,078</u>	<u>2,183,985</u>	<u>2,396,501</u>	<u>2,197,738</u>
Pension deficit	18	<u>(1,235,000)</u>	<u>(1,439,000)</u>	<u>(1,235,000)</u>	<u>(1,439,000)</u>
Net assets after pension deficit		<u>1,175,078</u>	<u>744,985</u>	<u>1,161,501</u>	<u>758,738</u>
Funds					
Restricted funds		67,309	9,599	67,209	9,499
Unrestricted funds					
Designated funds		1,235,000	1,439,000	1,235,000	1,439,000
General funds		1,094,292	749,239	1,094,292	749,239
Non charitable trading funds		13,477	(13,853)	-	-
Total unrestricted funds excluding pension	17	<u>2,342,769</u>	<u>2,174,386</u>	<u>2,329,292</u>	<u>2,188,239</u>
Pension reserve		<u>(1,235,000)</u>	<u>(1,439,000)</u>	<u>(1,235,000)</u>	<u>(1,439,000)</u>
Total funds		<u>1,175,078</u>	<u>744,985</u>	<u>1,161,501</u>	<u>758,738</u>

Approved by the trustees on 26 August 2015 and signed on their behalf by



Derek Stanton – Chair

Thurrock Community Leisure Limited

Consolidated cash flow statement

31 March 2015

	2015 £	2014 £
Reconciliation of net outgoing resources to net cash inflow from operating activities		
Net outgoing resources for the year before other recognised gains and losses	229,093	(21,110)
Interest received	(52,079)	(26,649)
Depreciation charged	72,974	77,754
Solar Panel Amortisation	11,763	11,763
Actuarial pension scheme costs charged	(3,000)	48,000
(Increase)/decrease in debtors	(62,790)	109,275
Decrease/(increase) in stock	5,865	(5,095)
Increase/(decrease) in creditors < 1 year	148,869	(69,065)
Increase/(decrease) in creditors > 1 year	<u>168,582</u>	<u>(48,000)</u>
Net cash inflow from operating activities	519,277	76,873
Returns on investments and servicing of finance		
Increase in Fixed Assets	(182,767)	-
Solar Panel investment	-	-
Interest received	52,079	26,649
Management of liquid resources		
Payments out of short term deposits	<u>300,000</u>	<u>-</u>
Increase/(decrease) in cash in the year	688,589	103,522
Net cash resources at 1 April 2014	<u>136,529</u>	<u>33,007</u>
Net cash resources at 31 March 2015	(Note 1) <u>825,118</u>	<u>136,529</u>

Notes to the cash flow statement

1. Analysis of net cash resources

	2014 £	Cash flow £	2015 £
Cash at bank and in hand	<u>136,529</u>	<u>688,589</u>	<u>825,118</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies

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

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

- b) Grants are recognised in full in the SOFA when entitlement transfers to the charity and all conditions have been fulfilled. Fee and other income is recognised on an accruals basis and is stated net of VAT where applicable.
- c) Resources expended are allocated to the particular activity where the cost relates directly to that activity. Resources expended include attributable VAT which cannot be recovered.

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

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

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

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

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

Leasehold buildings	25 years
Leasehold improvements	10 – 40 years

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

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies (continued)

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

2. Grants

	Restricted £	Unrestricted £	2015 Total £	2014 Total £
Thurrock Council main grant	-	350,000	350,000	400,000
Big Lottery Award	9,870	-	9,870	-
Other Thurrock Activities Grant	<u>67,795</u>	<u>-</u>	<u>67,795</u>	<u>48,490</u>
Total	<u>77,665</u>	<u>350,000</u>	<u>427,665</u>	<u>448,490</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2015

3a Promotion & publicity costs

	Restricted £	Unrestricted £	2015 Total £	2014 Total £
Staff costs (Note 7)	-	126,699	126,699	127,972
Promotion & publicity	-	112,152	112,152	83,430
	<u>-</u>	<u>238,851</u>	<u>238,851</u>	<u>211,402</u>

3b Golf club shop and bar

	Restricted £	Unrestricted £	2015 Total £	2014 Total £
Staff costs (note 7)	-	255,968	255,968	253,704
Other trading costs	-	285,454	285,454	302,831
Corporation tax payable	-	-	-	2,198
	<u>-</u>	<u>541,422</u>	<u>541,422</u>	<u>558,733</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2015

4. Charitable expenditure

	Leisure centres	Civic Hall	Support costs	Governance costs	2015 Total	2014 Total
	£	£	£	£	£	£
Staff Costs (Note 7)	1,360,881	120,354	317,199	-	1,798,434	1,765,161
Premises costs	761,396	49,735	143,589	-	954,720	953,982
Purchases for resale	145,240	136,960	-	-	282,200	282,667
Office administration costs	440,212	34,708	880,926	-	1,355,846	1,418,552
Audit & accountancy (charity only)	-	-	-	8,850	8,850	12,000
Legal & professional	-	-	94,757	-	94,757	42,026
Total	2,707,729	341,757	1,436,471	8,850	4,494,807	4,474,388
Support costs (note 5)	<u>1,307,189</u>	<u>57,459</u>	<u>(1,436,471)</u>	<u>71,823</u>	<u>-</u>	<u>-</u>
Total charitable expenditure	<u>4,014,918</u>	<u>399,216</u>	<u>-</u>	<u>80,673</u>	<u>4,494,807</u>	<u>4,474,388</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2015

5. Support costs

Support costs are allocated to charitable activities as follows:

	Leisure centres £	Civic Hall £	Governance costs £	2015 Total £	2014 Total £
Staff costs	288,651	12,688	15,860	317,199	218,563
Premises costs	130,666	5,744	7,179	143,589	136,304
Office administration costs	801,643	35,237	44,046	880,926	921,575
Legal and professional	86,229	3,790	4,738	94,757	42,026
	<u>1,307,189</u>	<u>57,459</u>	<u>71,823</u>	<u>1,436,471</u>	<u>1,318,468</u>

6. Net incoming/(outgoing) resources for the year

This is stated after charging:

	2015 £	2014 £
Depreciation and amortisation	81,112	89,516
Trustees' remuneration	442	4,744
Trustees' reimbursed expenses	52	-
Auditors' remuneration:		
▪ Current year	11,200	12,000
▪ Other Audit services	1,950	-
Operating lease rentals:		
▪ Equipment	<u>142,985</u>	<u>144,056</u>

The trustees' reimbursed expenses relate to one trustee (2014:0) for travel and other expenses.

Trustees' remuneration represents the gross salary and employer pension contributions of the employee elected trustee who is paid for her services as an employee in her role as a casual bar person for Thurrock Community Leisure from April 2014.

7. Staff costs and numbers

Staff costs for the group were as follows:

	2015 £	2014 £
Salaries and wages	1,959,583	1,883,929
Social security costs	100,745	99,142
Pension contributions	123,773	106,484
Other pension costs	(3,000)	48,000
Other staff costs	<u>-</u>	<u>9,282</u>
	<u>2,181,101</u>	<u>2,146,837</u>
Total emoluments paid to staff were:	<u>2,083,356</u>	<u>1,990,413</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2015

7. Staff costs and numbers (continued)

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

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

	2015 No.	2014 No.
Direct charitable activities	101	101
Golf club shop and bar	16	13
Support staff	2	5
Fundraising and publicity	13	11
	<u>132</u>	<u>130</u>

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Thurrock Community Leisure Ltd gift aids available profits to the charity.

9. Tangible fixed assets

	Leasehold Improvements	
	The group £	The charity £
Cost		
At the start of the year	3,254,778	3,147,495
Additions	<u>182,767</u>	<u>173,033</u>
At the end of the year	<u>3,437,545</u>	<u>3,320,528</u>
Depreciation		
At the start of the year	1,692,372	1,585,090
Charge for the year	<u>72,974</u>	<u>71,026</u>
At the end of the year	<u>1,765,346</u>	<u>1,656,116</u>
Net book value		
At the end of the year	<u>1,672,199</u>	<u>1,664,412</u>
At the start of the year	<u>1,562,406</u>	<u>1,562,405</u>

Following the year end additional costs of £124,191 (net of VAT) have been incurred in relation to the completion of new gym facilities in Wickford. Depreciation has not been charged during the year on assets still in the course of construction. The Gym Hub officially opened on 6 May 2015.

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2015

10. Investments

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

TCL investments include £35,287 relating to investment by TCL in solar panels installed on the roof of WCRA, another subsidiary of Impulse Leisure. TCL have the rights to the asset, and future economic benefits will flow to TCL in the form of electricity savings paid over by WCRA and income from FIT payments from the Government. These are being carried at cost and amortised over a period of 5 years.

	Solar Panels	
	The group £	The charity £
Cost		
At the start and end of the year	<u>58,813</u>	<u>58,813</u>
Amortisation		
At the start of the year	11,763	11,763
Charge for the year	<u>11,763</u>	<u>11,763</u>
At the end of the year	<u>23,526</u>	<u>23,526</u>
Net book value		
At the end of the year	<u>35,287</u>	<u>35,287</u>
At the start of the year	<u>47,050</u>	<u>47,050</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the year ended 31 March 2015

11. Subsidiary undertaking

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

	2015 £	2014 £
Turnover	583,507	570,845
Cost of sales	<u>234,177</u>	<u>233,300</u>
Gross profit	349,330	337,545
Administrative expenses	<u>317,243</u>	<u>335,235</u>
Operating profit	<u>32,087</u>	<u>2,310</u>
	32,087	2,310
Gift aid to parent undertaking	<u>(4,757)</u>	<u>-</u>
Profit for the year before taxation	27,330	2,310
Taxation	<u>-</u>	<u>(2,198)</u>
Profit for the financial year after taxation	27,330	112
Accumulated loss at the start of the year	<u>(13,853)</u>	<u>(13,965)</u>
Accumulated profit/(loss) at the end of the year	<u><u>13,477</u></u>	<u><u>(13,853)</u></u>
The aggregate of the assets, liabilities and funds was:		
	2015 £	2014 £
Assets	66,188	83,875
Liabilities	(42,711)	(87,728)
Share capital	<u>(10,000)</u>	<u>(10,000)</u>
Accumulated Loss	<u><u>13,477</u></u>	<u><u>(13,853)</u></u>
The parent charity's gross income and results for the year are as follows:		
	2015 £	2014 £
Gross Income	5,284,418	4,998,241
Surplus for the year	<u><u>193,459</u></u>	<u><u>55,778</u></u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2015

12. Debtors

	The group		The charity	
	2015	2014	2015	2014
	£	£	£	£
Other debtors	36,372	24,838	33,238	21,312
Amount due from subsidiary	-	-	29,910	68,002
Amounts due from other group members	3,198	13,953	3,198	13,953
Prepayments	82,934	20,923	82,934	20,923
	<u>122,504</u>	<u>59,714</u>	<u>149,280</u>	<u>124,190</u>

13. Creditors: Amounts falling due within one year

	The group		The charity	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	79,091	20,096	72,774	12,733
Taxation & Social Security	-	22,920	-	20,444
Loans	57,418	48,000	57,418	48,000
Accruals	261,440	131,460	254,957	123,748
Income in advance	13,550	32,517	13,550	32,517
Vat Payable	4,653	550	7,239	2,465
Corporation tax payable	-	2,198	-	-
Other creditors	1,473	11,015	1,473	11,038
	<u>417,625</u>	<u>268,756</u>	<u>407,411</u>	<u>250,945</u>

14. Creditors: amounts falling due after more than one year

	The group		The charity	
	2015	2014	2015	2014
	£	£	£	£
Due in 2-5 years				
Blackshots improvement loan	272,582	104,000	272,582	104,000
Thurrock Council	250,000	250,000	250,000	250,000
	<u>522,582</u>	<u>354,000</u>	<u>522,582</u>	<u>354,000</u>

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.

The charity also has a loan from Thurrock Borough Council which commenced in November 2009 and was initially due for repayment in November 2014. However, the charity is currently in negotiations and therefore it is not expected that repayment will take place within one year.

The above loans have been drawn down to finance leasehold improvements.

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2015

15. Analysis of group net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	-	1,707,486	1,707,486
Net current assets	67,309	-	1,157,865	1,225,174
Long term liabilities	-	-	(522,582)	(522,582)
Pension deficit	-	(1,235,000)	-	(1,235,000)
Net assets	67,309	(1,235,000)	2,342,769	1,175,078

16. Movements in funds

	At the start of £	Incoming £	Outgoing £	Transfers & £	At the end of £
Restricted funds					
Thurrock Council	9,499	77,665	(19,955)	-	67,209
B shares in subsidiary	100	-	-	-	100
Total restricted	9,599	77,665	(19,955)	-	67,309
Unrestricted funds:					
<i>Designated funds</i>					
Pension fund	1,439,000	-	(3,000)	(201,000)	1,235,000
<i>Total designated funds</i>	<i>1,439,000</i>	<i>-</i>	<i>(3,000)</i>	<i>(201,000)</i>	<i>1,235,000</i>
General funds of TCL	749,239	4,843,001	(4,703,705)	205,757	1,094,292
General funds of TCLT	(13,853)	583,507	(551,420)	(4,757)	13,477
Total general funds	735,386	5,426,508	(5,255,125)	201,000	1,107,769
Total unrestricted funds	2,174,386	5,426,508	(5,258,125)	-	2,342,769
Pension liability	(1,439,000)	-	3,000	201,000	(1,235,000)
Total unrestricted funds	735,386	5,426,508	(5,255,125)	201,000	1,107,769
Total funds	744,985	5,504,173	(5,275,080)	201,000	1,175,078

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2015

16. Movements in funds (continued)

Purposes of restricted and designated funds, and transfers between funds

Thurrock Council grants	Grants from Thurrock Council received in 14/15 re 'exercise on referral (£50,000) and 13/14 'Stop Smoking (7,339) schemes, together with Lottery Grant (£9,870) for Stroke rehabilitation work, both to be run during 15/16
B Shares in subsidiary	Represent carrying value of non-voting B shares in TCL Trading Ltd. These shares carry no right to distribution of profits.
Pension fund	The pension fund has been designated this year to cover the actuarial valuation of the pension scheme as shown in note 18 and shown as the pension liability.

17. Pension scheme

Employees of Thurrock Community Leisure are admitted to the Essex County Council Pension Fund, a defined benefit scheme which is administered by Essex County Council under the regulations governing the Local Government Pension Scheme. The deficit on the pension scheme does not represent a liability that will crystallise at any single point in time. The calculation can also be very sensitive to the actuarial assumptions used in valuing the scheme. The figures disclosed below have been derived by approximate methods from the last full actuarial valuation of the Fund carried out by Mercer Human Resource Consulting Ltd as at 31 March 2013

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

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

	2015 £'000	2014 £'000
Present value of funded obligations	4,768	4,439
Fair value of plan assets	3,533	3,000
Net liability	1,235	1,439
Amounts recognised in net incoming resources:	2015 £'000	2014 £'000
Current service cost	93	112
Interest on obligation	201	191
Expected return on plan assets	(182)	(148)
Total	112	155

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2015

17. Pension scheme (continued)

	2015 £'000	2014 £'000
Actual return on plan assets	<u>417</u>	<u>227</u>
Changes in the present value of the defined benefit obligation are as follows:		
	2015 £'000	2014 £'000
Opening defined benefit obligation	4,439	4,172
Service cost	93	112
Interest cost	201	191
Actuarial losses/(gains)	51	(16)
Member contributions	29	31
Benefits paid	<u>(45)</u>	<u>(51)</u>
Closing defined benefit obligation	<u>4,768</u>	<u>4,439</u>
Changes in the fair value of plan assets are as follows:		
	2015 £'000	2014 £'000
Opening fair value of plan assets	3,000	2,704
Expected return	182	148
Actuarial gains	252	61
Contributions by employer	115	107
Member contributions	29	31
Benefits paid	<u>(45)</u>	<u>(51)</u>
Fair value of plan assets at end of period	<u>3,533</u>	<u>3,000</u>
Reconciliation of opening and closing surplus:		
	2015 £'000	2014 £'000
Deficit at the start of the period	(1,439)	(1,468)
Current service cost	(93)	(112)
Employer contributions	115	107
Other finance income	(19)	(43)
Actuarial gains	<u>201</u>	<u>77</u>
Deficit at the end of the period	<u>(1,235)</u>	<u>(1,439)</u>

The employer contributions for 2015/16 are projected to be £117,000

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2015

17. Pension scheme (continued)

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

	2015 £'000	2015 %	2014 £'000	2014 %
Equities	2,377	67%	2,010	67%
Gilts	155	4%	240	8%
Other bonds	338	10%	240	8%
Property	384	11%	330	11%
Cash	77	2%	60	2%
Alternative Assets	202	6%	120	4%
	<u>3,533</u>	<u>100%</u>	<u>3,000</u>	<u>100%</u>

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

	2015 %	2014 %
Inflation rate (CPI)	2.0%	2.9%
Discount rate at the end of the year	3.4%	4.5%
Expected return on plan assets at the end of the year	6.0%	6.0%
Future salary increases	3.0%	4.7%
Future pension increases	<u>2.0%</u>	<u>2.9%</u>

The salary increase assumption above includes a short term increase of 1.0% to 31 March 2017

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

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligation	(4,768)	(4,439)	(4,172)	(3,865)	(3,144)
Plan assets	<u>3,533</u>	<u>3,000</u>	<u>2,704</u>	<u>2,350</u>	<u>2,200</u>
(Deficit)	<u>(1,235)</u>	<u>(1,439)</u>	<u>(1,468)</u>	<u>(1,515)</u>	<u>(944)</u>

Thurrock Community Leisure Limited

Notes to the financial statements

For the Year Ended 31 March 2015

18. Operating lease commitments

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

	2015 Equipment £	2014 Equipment £
Less than 1 year	13,156	562
1 - 2 Years	67,760	36,774
2 - 5 Years	115,961	48,590
	<u>196,877</u>	<u>85,926</u>

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

	2015 Equipment £	2014 Equipment £
Less than 1 year	3,212	398
1 - 2 Years	36,212	3,294
2 - 5 Years	105,141	36,212
	<u>144,565</u>	<u>39,904</u>

19. Parent undertaking

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

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

20. Related party transactions

One of the trustees, Geoffrey Bifield, is an unpaid advisor of Leisure Lockers Limited. TCL has transacted with Leisure Lockers in the year and paid them fees of £23,025 in the financial year. Geoffrey Bifield has not been involved in the transactions or decisions relating to the relationship on behalf of either party so there has been no conflict of interest.