

Company No. 3782811  
Charity No. 1080186

**Thurrock Community Leisure Limited**  
**Report & Financial Statements**  
**31 March 2001**



**Sayer Vincent**

SAYER VINCENT  
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## **Thurrock Community Leisure Limited**

### **Report of the Trustees**

#### **For the Year Ended 31 March 2001**

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The trustees present their report and the audited financial statements for the year ended 31 March 2001.

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

#### **Objects of the Charity**

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

TCL is a registered charity and company limited by guarantee. 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.

#### **Organisational Structure**

A Board of 11 Trustees are ultimately responsible for TCL. The Board of 11 Trustees (volunteers) are drawn from all sections of the local community. Two elected Councillors of Thurrock Borough Council are included in the Board. Once appointed, Trustees act in their personal capacity and do not act as representatives of the body that nominated them.

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

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

Three of the longest serving independent Trustees must retire each year. They can stand for re-election if they wish.

Thurrock Council elects two representatives to the Board annually, although for continuity the Council is proposing that the same councillors continue to be Trustees of TCL.

A change to the existing articles to be approved will determine the election of the employee elected Trustee who will be appointed for a minimum period of one year. After this time staff can put forward a nomination at any time, to stand against the existing staff elected Trustee. A formal ballot will determine the outcome.

## **Thurrock Community Leisure Limited**

### **Report of the Trustees**

#### **For the Year Ended 31 March 2001**

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##### **Review of Activities**

A full review of the activities of TCL throughout this first full year of operation is published in the Annual Report for the year.

Briefly, TCL have continued to manage the three leisure centres at Belhus Park, Blackshots, and Corringham, plus the Civic Hall and the Golf Course at Belhus Park. All of the facilities have in some way been improved during the year to the benefit of the community in compliance with the memorandum of

This first full year has largely been one of consolidation and continued 'set-up' for the future. However, during the year there have been some notable achievements and investments listed below:

- £500,000 worth of investment at Blackshots Leisure Centre complementing the Council's refurbishment
- Health and safety improvements across all sights
- New or upgrading work to all the major communication and Information Technology systems
- Operating through an enforced 7 month closure during the refurbishment of Blackshots Leisure Centre
- Through partnerships in the local community, obtaining and leading a project to establish a heritage trail at Belhus Park
- Two new tees on the Golf Course resulting in increased yardage
- Reduced staff turnover
- Successfully negotiating reduced insurance rates
- Reducing accidents
- Improving disabled access
- Retaining and improving our percentage score for QUEST registration at Belhus Park

##### **Future Plans**

In line with Council wishes, we will decrease dependency on grant funding by at least 10% within the next two years.

Following on from the above TCL is co-operating with Thurrock Council in its completion of its Best Value review for leisure and recreation. The combination of our quality services, reinvestment, social objectives and financial benefits will undoubtedly lead to a positive outcome.

We will continue to provide new and improved services both in and outside of our current provision, which will provide best value to the local area.

We are keen to, and have already laid the foundations to expand beyond leisure centres and work in partnership with a wide range of organisations to develop more activities and programmes in the community.

## **Thurrock Community Leisure Limited**

### **Report of the Trustees**

#### **For the Year Ended 31 March 2001**

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Our plans include:

- Refurbishment of the Civic Hall, foyer, bars and catering facilities at Blackshots
- Building a new childminding facility at Corringham Leisure Centre
- Providing a soft play crèche facility at Blackshots Leisure Centre
- Extend childminding facility at Belhus Park
- Completion of heritage trail at Belhus Park
- Continuous redecoration and facility improvement
- Upgrades to changing facilities at both Belhus Park and Corringham Leisure Centres
- Possible Springs (fitness suites) extensions at all centres
- Disabled access improvements
- Energy conservation measures
- Improvements to technical and layout of facilities in the Civic Hall
- Expansion of exercise in care homes
- Obtaining QUEST registration at all applicable sites
- Developing partnerships with health organisations and educational establishments for service delivery
- Seeking external funds for applicable investments
- Security improvements

#### **Financial Summary**

The accounts show a healthy surplus of £410,019 for the year. In accordance with the charity's constitution, all of this surplus will be invested in the improvement of the facilities. A broad programme of the planned improvements is listed above. As a result £350,000 out of the £446,415 closing funds at 31 March 2001 have been designated by the trustees for building improvements.

#### **Reserves Policy**

The Trustees and management team have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The charity is at present reliant upon the grant receivable from Thurrock Council and will be for the next ten years. The charity will therefore look to reduce its costs over the period to reduce its reliability on the grant.

The Trustees and management team have also identified costs for major capital expenditure on the buildings and have set aside £350,000 this year for works identified for the next financial year.

During the current financial year the management team recognised the need to upgrade the computer systems used by the charity. This cost amounted to £100,000 and was funded out of the trading income of the charity. There will also be an ongoing reserve of £10,000pa to cover future expenditure on IT upgrade.

#### **Investment Policy**

As all funds are anticipated to be required for further improvements to facilities in the short to medium term, no long term investments are held. Instead, it is the policy of the trustees to hold cash balances not required for immediate day-to-day operations on short term deposit so as to maximise return while retaining sufficient liquidity.

## **Thurrock Community Leisure Limited**

### **Report of the Trustees**

#### **For the Year Ended 31 March 2001**

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##### **Risk Statement**

The Trustees are aware of the requirement to undertake a formal risk assessment process and this will be initiated in the financial year to 31 March 2002 with the assistance of their professional advisers.

##### **Responsibilities of the Trustees**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985.

The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

##### **The 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:

Graham Brown  
Anthony Fish  
Mike Gamble  
Glyn Jarvis  
Mark Levey  
Alan Rumsby

Fred Saxton  
Audrey Smith  
Brian Taylor  
George Watts  
Carol Fahey

Appointed 16th October 2000

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2001 was 11 (2000 - 8). The trustees have no beneficial interest in the charitable company.

**Thurrock Community Leisure Limited**

**Report of the Trustees**

**For the Year Ended 31 March 2001**

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**Auditors**

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

Approved by the trustees on 10 September 2001 and signed on their behalf by



Mike Gamble - Chair

## **Auditors' Report**

### **To the Members of**

#### **Thurrock Community Leisure Limited**

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We have audited the financial statements on pages 8 to 17 which have been prepared on the basis of the accounting policies set out on pages 11 & 12.

#### **Respective Responsibilities of the Trustees and Auditors**

As described on page 3, the trustees, who are also directors under company law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### **Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 2001 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



#### **SAYER VINCENT**

Chartered Accountants  
Registered Auditors  
23 Angel Gate  
City Road  
London  
EC1V 2SJ

13 September 2001

**Thurrock Community Leisure Limited**

**Statement of Financial Activities** (Incorporating an Income and Expenditure Account)

**For the Year Ended 31 March 2001**

		Restricted	Unrestricted	2001 Total	11 weeks to 31 March Total
	Note	£	£	£	£
<b>Incoming resources</b>					
<i>Activities to further the charity's objects</i>					
Grant Income	2	-	1,390,705	<b>1,390,705</b>	237,000
Fees & Charges				-	
Leisure Centre Income		-	1,549,034	<b>1,549,034</b>	416,559
Civic Hall Income		-	266,899	<b>266,899</b>	50,421
<i>Activities to generate funds:</i>					
Investment income			22,155	<b>22,155</b>	1,527
<b>Total incoming resources</b>		-	3,228,793	<b>3,228,793</b>	705,507
<i>Costs of generating funds</i>	3	-	121,139	<b>121,139</b>	12,839
<b>Net incoming resources available for charitable application</b>		-	3,107,654	<b>3,107,654</b>	692,668
<i>Charitable expenditure</i>					
Leisure Centres		-	1,919,205	<b>1,919,205</b>	438,214
Civic Hall		-	160,113	<b>160,113</b>	66,122
Support costs		-	580,303	<b>580,303</b>	117,678
Management and administration		-	38,014	<b>38,014</b>	34,258
<b>Total charitable expenditure</b>	4	-	2,697,635	<b>2,697,635</b>	656,272
<b>Total resources expended</b>		-	2,818,774	<b>2,818,774</b>	669,111
<b>Net Incoming Resources for the Year</b>	5	-	410,019	<b>410,019</b>	36,396
<b>Funds at 1 April 2000</b>		-	36,396	<b>36,396</b>	-
<b>Funds at 31 March 2001</b>		-	446,415	<b>446,415</b>	36,396

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 12 to the financial statements. In arriving at the Net Incoming Resources for the Year of £410,019, £368,627 has been spent on leasehold improvements, leaving £41,392 funds available for future activities.

**Thurrock Community Leisure Limited (Limited by Guarantee)**

**Balance Sheet**

**As at 31 March 2001**

	Note	£	2001 £	2000 £
<b>Fixed assets</b>				
Tangible Assets	8		<b>368,627</b>	-
<b>Current assets</b>				
Stock in Hand		<b>28,294</b>		6,089
Debtors	9	<b>152,525</b>		24,263
Short Term Deposits		<b>500,185</b>		-
Cash at bank and in hand		<b>99,367</b>		226,470
		<b>780,371</b>		256,822
<b>Creditors: amounts falling due within one year</b>	10	<b>702,583</b>		220,426
<b>Net current assets</b>			<b>77,788</b>	36,396
<b>Net assets</b>	11		<b>446,415</b>	36,396
<b>Funds</b>				
Restricted funds			-	-
Unrestricted funds				
Designated funds			<b>360,000</b>	-
General funds			<b>86,415</b>	36,396
<b>Total funds</b>	12		<b>446,415</b>	36,396

Approved by the trustees on 10 September 2001 and signed on their behalf by



Mike Gamble - Chair

**Thurrock Community Leisure Limited**

**Cash Flow Statement**

**As at 31 March 2001**

		11 weeks to 31 March 2001	2000
	£	£	£
<b>Reconciliation of surplus of income to net cash inflow from operating activities</b>			
Net movement in funds for the year	410,019		36,396
Interest received	(22,155)		(1,527)
(Increase) in Debtors	(128,262)		(24,263)
(Increase) in Stock	(22,205)		(6,089)
Increase in Creditors	482,157		220,426
<b>Net Cash Inflow from Operating Activities</b>		<b>719,554</b>	224,943
<b>Returns on Investments and Servicing of Finance (note 1)</b>			
Interest Received		22,155	1,527
<b>Capital Expenditure</b>			
Payments to acquire tangible fixed assets		(368,627)	-
<b>Management of Liquid Resources</b>			
Cash added to short term deposits		(500,185)	-
<b>(Decrease)/Increase in cash in the year</b>		<b>(127,103)</b>	226,470
<b>Net cash resources at 1 April 2000</b>		<b>226,470</b>	-
<b>Net cash resources at 31 March 2001 (Note 1)</b>		<b>99,367</b>	226,470

**Notes to the Cashflows**

**1. Analysis of Net Cash Resources**

	2000 £	Cashflow £	2001 £
Cash at bank and in hand	226,470	(127,103)	99,367

## Thurrock Community Leisure Limited

### Notes to the Financial Statements

#### For the Year Ended 31 March 2001

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##### 1. Accounting Policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They follow the recommendations in the *Statement of Recommended Practice, Accounting and Reporting by Charities* (issued in October 2000) and the Companies Act 1985.
- b) Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable. Fee income is recognised on an accruals basis and is stated net of VAT where applicable.
- c) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is shown within support costs.

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

Management and administration costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements.

- d) Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Leasehold Improvements	10 Years
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No depreciation charge has been made in this year as the leasehold improvements have been brought into use since the year end.

- e) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- f) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- g) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the lease duration.
- h) Stocks are valued at the lower of cost and net realisable value.

# Thurrock Community Leisure Limited

## Notes to the Financial Statements

For the Year Ended 31 March 2001

### 1. Accounting Policies (continued)

- i) The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

### 2. Grants

	Restricted	Unrestricted	2001 Total	11 weeks to 31 March 2000 Total
	£	£	£	£
Thurrock Council				
Main Grant	-	1,159,705	<b>1,159,705</b>	237,000
Compensation for Blackshots closure	-	231,000	<b>231,000</b>	-
	<u>-</u>	<u>1,390,705</u>	<u><b>1,390,705</b></u>	<u>237,000</u>

### 3. Costs of Generating Funds

	Restricted	Unrestricted	2001 Total	11 weeks to 31 March 2000 Total
	£	£	£	£
Staff Costs	-	30,664	<b>30,664</b>	-
Promotion & Publicity	-	44,942	<b>44,942</b>	6,535
Events Promotion	-	35,456	<b>35,456</b>	2,161
Other Marketing	-	10,077	<b>10,077</b>	4,143
	<u>-</u>	<u>121,139</u>	<u><b>121,139</b></u>	<u>12,839</u>

# Thurrock Community Leisure

## Notes to the Financial Statements

### For the Year Ended 31 March 2001

4. Total Charitable Expenditure	Leisure Centres £	Civic Hall £	Support Costs £	Management & Administration £	2001 Total £	11 weeks to 31 March 2000 £
Staff Costs	1,217,096	102,455	190,169	-	1,509,720	351,742
Premises Costs	348,995	7,349	6,365	-	362,709	100,155
Purchases for Resale	98,227	23,871	-	-	122,098	31,594
Office administration Costs	248,492	24,642	377,160	-	650,294	136,898
Audit & Accountancy	-	-	-	6,550	6,550	7,300
Legal & Professional	-	-	-	31,464	31,464	26,958
Sundry	6,395	1,796	6,609	-	14,800	1,625
	<u>1,919,205</u>	<u>160,113</u>	<u>580,303</u>	<u>38,014</u>	<u>2,697,635</u>	<u>656,272</u>

# Thurrock Community Leisure Limited

## Notes to the Financial Statements

### For the Year Ended 31 March 2001

#### 5. Net Incoming Resources for the Year

This is stated after charging / crediting:

	11 weeks to 31 March	
	2001	2000
	£	£
Trustees' Indemnity Insurance	2,590	-
Trustees' Remuneration	nil	nil
Trustees' Reimbursed Expenses	nil	nil
Auditors' Remuneration:		
▪ Audit	6,550	7,300
▪ Other services	-	14,693
Operating Lease Rentals:		
▪ Property	-	-
▪ Other	79,773	10,512

#### 6. Staff Costs and Numbers

Staff costs were as follows:

	11 weeks to 31 March	
	2001	2000
	£	£
Salaries and Wages	1,389,600	315,789
Social Security Costs	88,647	19,023
Pension Contributions	62,137	16,930
	1,540,384	351,742
Total emoluments paid to staff were:	1,478,247	334,812

No employee earned more than £50,000 during the year (2000 - none).

# Thurrock Community Leisure Limited

## Notes to the Financial Statements

### For the Year Ended 31 March 2001

#### 6. Staff Costs and Numbers (continued)

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2001 No.	11 weeks to 31 March 2000 No.
Direct Charitable Activities	155	86
Support Staff	6	5
Fundraising and Publicity	2	-
	<u>163</u>	<u>91</u>

#### 7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 8. Tangible Fixed Assets

	Leasehold Improvements £
<b>COST</b>	
At 1 April 2000	-
Additions in Year	<u>368,627</u>
At 31 March 2001	<u>368,627</u>
<b>DEPRECIATION</b>	
At 1 April 2000	-
Charge for the Year	<u>-</u>
At 31 March 2001	<u>-</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2001</b>	<u><u>368,627</u></u>
At 31 March 2000	<u><u>-</u></u>

All tangible fixed assets are used to fulfil the charity's objects.

No depreciation has been charged against the leasehold improvements as the related facilities only became operational on 23 March 2001. From the year ended 31 March 2002, the improvements will be depreciated on a straight line basis over ten years.

**Thurrock Community Leisure Limited**

**Notes to the Financial Statements**

**For the Year Ended 31 March 2001**

**9. Debtors**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Trade Debtors	<b>4,390</b>	-
Other Debtors	<b>89,449</b>	-
Prepayments	<b>58,686</b>	24,263
	<b><u>152,525</u></b>	<b><u>24,263</u></b>

**10. Creditors : Amounts Falling Due Within One Year**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Trade Creditors	<b>167,792</b>	41,587
Taxation & Social Security	<b>26,684</b>	40,599
Pension Contributions	<b>8,446</b>	16,930
Accruals	<b>131,034</b>	121,310
Other Creditors	<b>368,627</b>	-
	<b><u>702,583</u></b>	<b><u>220,426</u></b>

**11. Analysis of Net Assets Between Funds**

	<b>Restricted Funds</b>	<b>Designated Funds</b>	<b>General Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed Assets	-	-	368,627	<b>368,627</b>
Current Assets	-	360,000	420,371	<b>780,371</b>
Current Liabilities	-	-	(702,583)	<b>(702,583)</b>
<b>Net Assets at 31 March 2001</b>	<b><u>-</u></b>	<b><u>360,000</u></b>	<b><u>86,415</u></b>	<b><u>446,415</u></b>

**Thurrock Community Leisure Limited**

**Notes to the Financial Statements**

**For the Year Ended 31 March 2001**

**12. Designated & General Funds**

	At 1 April 2000 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2001 £
<b>Designated Funds</b>					
Building Improvements	-	-	-	350,000	<b>350,000</b>
IT Upgrade	-	-	-	10,000	<b>10,000</b>
<i>Total Designated Funds</i>	-	-	-	360,000	<b>360,000</b>
<b>General Funds</b>	36,396	3,228,793	(2,818,774)	(360,000)	<b>86,415</b>
<b>Total Unrestricted Funds:</b>	<u>36,396</u>	<u>3,228,793</u>	<u>(2,818,774)</u>	<u>-</u>	<u><b>446,415</b></u>

**Purposes of Designated Funds**

Building Improvements Fund	This fund is designated for major capital expenditure on the Civic Hall.
IT Upgrade Fund	This fund is designated for future expenditure to upgrade the IT systems.

**13. Operating Lease Commitments**

The charitable company had annual commitments under operating leases expiring as follows:

	Property		Equipment	
	2001 £	2000 £	2001 £	2000 £
Less than 1 year	-	-	<b>59,099</b>	-
1 - 2 Years	-	-	<b>73,535</b>	-
2 - 5 Years	-	-	<b>15,607</b>	-
Over 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u><b>148,241</b></u>	<u>-</u>

There are no comparative figures for lease commitments as the process of transferring leases from Thurrock Council had not been completed by 31 March 2000.