

Company registration number: 04419556
Charity number: 1099629

SOUTH LAKELAND LEISURE LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015



SOUTH LAKELAND LEISURE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

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SOUTH LAKELAND LEISURE LIMITED

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	South Lakeland Leisure Limited	
Charity number	1099629	
Company registration number	04419556	
Registered office	South Lakeland Leisure Kendal House Murley Moss Business Village Oxenholme Road Kendal Cumbria LA9 7RL	
Trustees	A J Baverstock D Henderson R Lee R Read C Regan Miss C Smith	Vice Chairman Chairman
Secretary	G Ronson	
Independent examiner	Ian Clark FCCA Moore and Smalley LLP Chartered Accountants Kendal House Murley Moss Business Village Oxenholme Road Kendal Cumbria LA9 7RL	
Bankers	Barclays Bank Plc Barclays House Oxenholme Road Kendal Cumbria LA9 7RL	

SOUTH LAKELAND LEISURE LIMITED

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

The Trustees, who are also directors for the purposes of company law, present their report and the unaudited financial statements of the company for the year ended 31 March 2015.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

Directors and Trustees

The directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as Trustees.

The Trustees who served the company during the period were as follows:

A J Baverstock	
D Henderson	Vice Chairman
R Lee	
R Read	Chairman
C Regan	
Miss C Smith	

Company officers

G Ronson	Company Secretary
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Structure, governance and management

Governing document

South Lakeland Leisure is a company limited by guarantee governed by its Memorandum and Articles of Association dated 18 April 2002. It is a registered charity with the Charity Commission. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1.

Appointment of Trustees

At each annual general meeting, one third (or the nearest whole number) of the trustees must retire, those longest in office retiring first and the choice between any of equal service being made by drawing lots. Trustees retiring in this manner are eligible for reappointment unless the vacancy is filled or unless there is an express resolution not to fill the vacancy or unless a resolution for the reappointment of the elected trustee is put to the meeting and lost. The trustees due to ordinarily retire this year are Mr R Read and Mrs C Regan.

Trustee Induction and Training

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the business plan and recent financial performance of the charitable company. Future inductions will include content on conflict of interests as this is particularly important to the Charities Commission. During the induction, they meet the Company Secretary and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. The Lakes Leisure Trustees are keen to ensure fairness in all matters in how it conducts its business.

SOUTH LAKELAND LEISURE LIMITED

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

Organisation

A board of trustees of up to 11 members, which meets on a bi-monthly basis, administers the charitable company. A Company Secretary is appointed to manage the day-to-day operations of the charitable company. From the year commencing 1st April 2014, Lakes Leisure has been engaged in the closedown of all its operational, financial and legal obligations under the former SLDC contract, which has now been successfully delivered. The Trustees have determined that the assets of Lakes Leisure can now be distributed under a grants process to organisations in the area that are compatible with the Trust's charitable objectives.

Risk Management

The trustees appointed a Company Secretary to manage the fiduciary and governance responsibilities of the Trust. The processes utilised in the operations of the company have been audited with substantial assurance, and this report has been approved by the Board of Trustees.

Objectives and activities

The objects of the charitable company are:

- To provide or assist in the provision of facilities and services for recreation or other leisure time occupation primarily for the community and visitors to the South Lakeland district in the interests of social welfare, such facilities being provided to the public at large, save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances may have need of special facilities. While the persons for whom the facilities and services are primarily intended are the community and visitors to the South Lakeland district, the provision of facilities and services provided by the trust shall not be restricted to such and may be provided to other members of the public wherever situated, whether within or outside the United Kingdom, who desire to and can conveniently make use of them.
- To promote community participation in healthy recreation by the provision of appropriate facilities for the playing of sport.
- To advance the education of the public in South Lakeland by the provision of training and courses to enable them to obtain coaching qualifications.

The main objectives for the year continued to focus on encouraging participation in sport, cultural and other recreational activities.

In the year the trustees have had due regard to guidance published by the Charity Commission on public benefit.

Trading Name

From September 2006, the charitable company has traded under the brand of Lakes Leisure in order to enhance the corporate image of the Trust. This trading name will continue to be used for the ongoing function of the company in distributing funds to local organisations.

SOUTH LAKELAND LEISURE LIMITED

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

Achievements and performance

Chairman's statement.

The year 2014-15 was one of transformation for Lakes Leisure. The change from a trading company to a grant giving trust involved the closing down of all the trading liabilities of the previous South Lakeland Leisure, and completing all of the necessary financial and legal obligations that were left in relation to its numerous stakeholders. I am pleased to report that this process has now been successfully completed and audited, and the company has now commenced the next phase of its life.

Lakes Leisure has always been proud of its record of increasing community participation in sports and recreation, and those principles will be continued in the new role that Lakes Leisure will engage in for the future. Our charitable objectives remain the same. The excellent work that was delivered previously in an operational sense will now continue in an enabling role.

The Trust now has earned reserves in the region of £1m and the Trustees are determined that this money shall be distributed back into the South Lakeland area to further improve facilities and participation in sports, recreation and the arts. This will be the legacy of Lakes Leisure.

Current status of Lakes Leisure

The Trustees of the company have determined that the earned assets, from its years of trading, are to be dispersed back into the community from where it has been generated. To that end, the company has developed into a grant making trust which has now commenced the funding of initiatives for clubs, societies and charities in the South Lakeland area. Of particular pride for the company was its funding of the 3G pitch at the Ulverston Leisure Centre, which has added significant participation opportunities for all ages in the town.

Range of Services

The charitable company's range of grant giving is determined by the original charitable objectives of the company, which may comprise activities for example, but not exclusively, swimming, gym facilities, tennis and racquet sports, team sports, theatre events, including classical concerts and light entertainment, courses and classes, including swimming lessons, yoga, pilates, keep fit classes and vocational courses and outdoor water-sports. The grant application process is not prescriptive as to the use of the grant but asks organisations to assess their compatibility to the objectives.

Community Objectives

South Lakeland Leisure will continue to engage with key user categories such as young people, the elderly, disabled persons, low income families and those affected by rural isolation in active sports and meet the objectives of health and well-being as well as new areas that the wider grants application process may provide.

Financial review

Financial Performance

The results for the year are disclosed in the Statement of Financial Activities.

The charitable company achieved a deficit for the year of £136,813, including depreciation. This is within the budget set by the Trustees for the closedown of the company's accounts.

The FRS17 pension obligations were fully delivered at the close of the trading year ending 2014 and no further recognition of risk applies to pension payments.

The Trustees consider the current trading position of the charitable company to be satisfactory, with controllable expenditure being contained within budget. Trustees will now look to distribute the assets back to the areas in which the original profits were earned. Trustees recognise the careful financial management the company has employed and will continue to manage its funds diligently to maintain maximum benefit for its stakeholders past, present and future.

SOUTH LAKELAND LEISURE LIMITED

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

Financial Performance *(continued)*

Contingent liability

The Trustees now intend to allocate the reserves of the company to activities that further its charitable objectives. There still remains a latent question from the termination of the partnership agreement with SLDC. This relates to unspent monies held by the Trust at the expiry of the agreement and where those funds should be allocated. This item was notified in the previous year's accounting documents. SLDC and the Trust have maintained their respective positions as to the appropriate treatment of the funds, however, Trustees feel that the areas that the Trust would intend to disperse its funds would be compatible with the Council's objectives. Discussions with the Council are proposed which will identify common areas of interest and where the allocation of funds will be compatible to the Council's own aspirations in its leisure strategy. This approach has been welcomed by SLDC and a productive process will reduce the potential for dispute.

Principal Sources of Funding

As a non-trading company, opportunities for income generation are slight. The income received in the year comprises interest from banking and latent utility.

Investment & Reserves Policy

Under the Memorandum and Articles of Association, the charitable company has the power to make any investment of which the Trustees approve. The Trustees have determined a prudent approach to investment and wish for funds to remain relatively accessible to allow for opportunities for significant funds distribution if required. The use of local based building society investments is being pursued for the deposit of the Trust's assets pending the allocation to successful grant applications.

Responsibilities of the trustees

The Trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting 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;
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOUTH LAKELAND LEISURE LIMITED

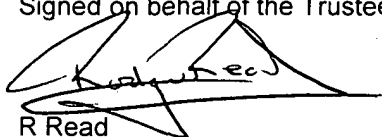
TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

A handwritten signature in black ink, appearing to read 'R Read', is written over a horizontal line.

R Read
Chairman

Date 9 December 2015

SOUTH LAKELAND LEISURE LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF SOUTH LAKELAND LEISURE LIMITED

YEAR ENDED 31 MARCH 2015

I report on the accounts of the company for the year ended 31 March 2015 which are set out on page 8 to 19.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of South Lakeland Leisure Limited for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Date 18 December 2015

Ian Clark FCCA
Independent examiner
Moore and Smalley LLP
Chartered Accountants
Kendal House
Murley Moss Business Village
Oxenholme Road
Kendal
Cumbria
LA9 7RL

SOUTH LAKELAND LEISURE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2015

	Note	Unrestricted Funds 2015 £	Total Funds 2014 £
Incoming resources			
Incoming resources from generating funds:			
Voluntary income	2	750	46,020
Activities for generating funds	3	100	74,671
Investment income	4	3,009	3,418
Incoming resources from charitable activities	5	3,804	2,102,037
Total incoming resources		7,663	2,226,146
Resources expended			
Costs of generating funds:			
Fundraising trading: cost of goods sold and other costs	6	–	(49,078)
Charitable activities:			
Exceptional item: redundancy costs	7	–	(133,004)
Other charitable activities	7	(118,161)	(1,983,178)
Governance costs	10	(27,865)	(89,988)
Other resources expended:			
Exceptional item: loss on disposal of assets	9	–	(256,516)
Total resources expended		(146,026)	(2,511,764)
Net (expenditure) for the year	13	(138,363)	(285,618)
Other recognised gains and losses			
Gain on cessation of membership pension fund		–	53,764
Net movement in funds		(138,363)	(231,854)
Reconciliation of funds			
Total funds brought forward		1,134,267	1,366,121
Total funds carried forward		995,904	1,134,267

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

SOUTH LAKELAND LEISURE LIMITED

BALANCE SHEET

YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	16	–	14,973
Current assets			
Stocks	17	–	8,551
Debtors	18	2,886	36,410
Cash at bank		1,003,464	1,283,981
		<u>1,006,350</u>	<u>1,328,942</u>
Creditors: amounts falling due within one year	19	<u>(10,446)</u>	<u>(209,648)</u>
Net current assets		995,904	1,119,293
Total assets less current liabilities		<u>995,904</u>	<u>1,134,267</u>
Net assets		<u>995,904</u>	<u>1,134,267</u>
Funds			
Restricted income funds		–	–
Unrestricted income funds		995,904	1,134,267
Total funds		<u>995,904</u>	<u>1,134,267</u>

For the year ended 31 March 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the members of the committee and authorised for issue on the 9 December 2015 and are signed on their behalf by:



R Read
Chairman

Company Registration Number: 04419556

SOUTH LAKELAND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005).

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income, it is certain and the amount can be quantified with reasonable accuracy.

Income from community leisure activities is included in incoming resources on a receivable basis in the period in which the service is provided. Income received in advance of the provision of the service is deferred until the period in which the service is provided.

Income from commercial activities is included in the period in which the charitable company is entitled to receipt.

Donations/grants and the community partnership agreement

Income from donations, grants and the community partnership agreement is included in incoming resources on a receivable basis except as follows:

- When the donor/funding body specifies that the funds must be used in future accounting periods, the income is deferred to those periods.
- When there are specific conditions to be fulfilled before the charitable company becomes entitled to use such income, the income is deferred until the pre-conditions for use have been complied with.

Capital grants

Income received from grant providers to facilitate the acquisition of capital assets are initially treated as restricted funds in accordance with the SORP. When capital grants have been spent on the specified purpose, they are transferred to a designated fund and reduced by the relevant proportion of depreciation on the associated asset over its useful economic life.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated on a basis consistent with the consumption of the resource. Grants are recognised when paid. Some grants have a connected service level agreement. The expected profit shares to be generated from the service level agreement entered into following the making of the grant expenditure, are expected to be minimal, and will be accounted for on a receipts basis as the timing and amounts of such income is uncertain.

SOUTH LAKELAND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1 Accounting policies (*continued*)

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

General equipment	- 10% - 33% straight line
Leasehold improvements	- 10% straight line
Office equipment	- 20% straight line
Computer equipment	- 20% - 33% straight line

Stocks

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

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the statement of financial activities on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The charity operated a defined benefit pension scheme for employees. The assets of the scheme were held separately from those of the charity in an independently administered fund. The charity ceased membership of the scheme on 31 March 2014, following the loss of the leisure provision contract. The effects of this cessation and the accounting treatment adopted for pension costs in the previous year are detailed in note 21 to these accounts.

For the comparative year, current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resources expended categories in the statement of financial activities. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the statement of financial activities during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the statement of financial activities. Net pension finance income is recognised as an incoming resource in the statement of financial activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the statement of financial activities.

SOUTH LAKELAND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme surplus (to the extent that it can be recovered) is recognised in full on the balance sheet, net of related deferred tax.

Treatment of irrecoverable VAT

The charitable company supplies both standard rated and exempt goods and services. Consequently, the charitable company suffers irrecoverable VAT. This irrecoverable VAT has been allocated to the relevant cost headings in the Statement of Financial Activities.

Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

2 Voluntary income

	Unrestricted Funds 2015 £	Restricted Funds 2014 £
Donations		
English Federation Disability Sports for a disability sports day	—	1,060
Keswick to Barrow Award Committee for children's able and disabled sports day	—	800
Rounders England	—	1,000
Cumbria County Council for children's able and disabled sports event	—	645
Cumbria County Council for community games event	—	75
Cumbria County Council for apprenticeship of R Addison	750	1,000
Cumbria County Council for upgrade of disability provision	—	41,440
	<u>750</u>	<u>46,020</u>

3 Incoming resources from activities for generating funds

	Unrestricted Funds 2015 £	Unrestricted Funds 2014 £
Bar and catering income	<u>100</u>	<u>74,671</u>

SOUTH LAKELAND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

4 Investment income

	Unrestricted Funds 2015 £	Unrestricted Funds 2014 £
Bank interest receivable	<u>3,009</u>	<u>3,418</u>

5 Incoming resources from charitable activities

	Unrestricted Funds 2015 £	Unrestricted Funds 2014 £
Admission fees and courses	3,514	1,414,785
Theatre income	290	25,962
Community Partnership with SLDC	–	661,290
	<u>3,804</u>	<u>2,102,037</u>

6 Fundraising trading: Cost of goods sold and other costs

	Unrestricted Funds 2015 £	Unrestricted Funds 2014 £
Bar and catering	<u>–</u>	<u>49,078</u>

7 Costs of charitable activities by activity type

	Note	Charitable activities £	Support costs £	Total Funds 2015 £	Total Funds 2014 £
Grants payable		112,157	–	112,157	–
Running of leisure facilities		6,004	–	6,004	1,983,178
Exceptional item: redundancy costs	9	–	–	–	133,004
		<u>118,161</u>	<u>–</u>	<u>118,161</u>	<u>2,116,182</u>

The grant above was paid to Ulverston Leisure Centre to assist with the purchase of a 3G pitch at the centre.

8 Other resources expended

	Note	Unrestricted Total Funds 2015 £	Unrestricted Total Funds 2014 £
Exceptional item: Losses on disposal of tangible fixed assets for charity's own use	9	<u>–</u>	<u>256,516</u>

SOUTH LAKELAND LEISURE LIMITED

NOTE TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

9 Exceptional items

As a result of the loss of the leisure provision contract with SLDC at 31 March 2014, the employees of South Lakeland Leisure were offered voluntary redundancy or an alternative offer of employment with the new leisure provider, North County Leisure, on 31 March 2014. Redundancy costs arising as a consequence during the year totalled £133,004.

Also, as a result of the same loss of contract, at 31 March 2014 all fixed assets, other than those on finance lease, were transferred over to North County Leisure for a value of £nil. The loss on disposal of these assets totalled £256,516.

10 Governance costs

	Unrestricted Funds 2015 £	Unrestricted Funds 2014 £
Salaries and wages	–	58,404
Employer's NIC	–	4,524
Legal fees	27,865	27,060
	<u>27,865</u>	<u>89,988</u>

11 Analysis of support costs

	Running of Leisure Facilities £	Bar and catering £	Governance £	Total 2015 £	Total 2014 £
Legal and professional	–	–	–	–	108,834
Finance costs	–	–	–	–	75,053
Depreciation	–	–	–	–	70,602
Staff costs	–	–	–	–	62,928
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>317,417</u>

Central administration employment costs are allocated on the basis of time.

Legal and professional fees, finance charges and depreciation are allocated on the basis of usage.

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration in their capacity as trustees during the year and two trustees were reimbursed a total of £nil (2014 £299) for travelling expenses.

Indemnity insurance paid by the charitable company in respect of the trustees amounted to £1,378 (2014 £1,378).

13 Net outgoing resources for the year

This is stated after charging:

	2015 £	2014 £
Depreciation	–	114,359
Audit fee	–	5,625
Independent examiner's fees	4,050	–
Other services	400	10,050
	<u>4,450</u>	<u>156,034</u>

SOUTH LAKELAND LEISURE LIMITED

NOTE TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

14 Staff costs and emoluments

Total staff costs were as follows:

	2015 £	2014 £
Wages and salaries	(2,985)	1,163,865
Social security costs	—	133,004
Other pension costs	—	64,035
	<u>(2,985)</u>	<u>1,360,904</u>

Membership of the defined benefit contribution scheme ceased on 31 March 2014. For further explanation of the £nil pension costs in the year see note 21.

Other pension costs in the comparative year represent the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other recognised gains and losses.

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2015 No	2014 No
Management and administration	—	9
Operational supervisors	—	8
Operational staff	—	151
Cleaners	—	3
Bar and catering	—	1
	<u>—</u>	<u>172</u>

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2015 No	2014 No
Management and administration	—	7
Operational supervisors	—	8
Operational staff	—	42
Cleaners	—	2
	<u>—</u>	<u>59</u>

SOUTH LAKELAND LEISURE LIMITED

NOTE TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

14 Staff costs and emoluments (*continued*)

Employees earning over £60,000

	2015 No	2014 No
£80,000 - £89,999	<u>-</u>	<u>1</u>

The above employee accrued benefits under the company's defined benefit scheme during the year ended 31 March 2014.

15 Taxation

As a charity, South Lakeland Leisure is exempt from tax on income and gains falling within sections 472-474 of the Corporation Tax Act 2010, sections 478 - 489 of the Corporation Tax Act 2010, or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

16 Tangible fixed assets

	General Equipment £
Cost	
At 1 April 2014	89,632
Disposals	(89,632)
At 31 March 2015	<u>-</u>
Depreciation	
At 1 April 2014	74,659
On disposals	(74,659)
At 31 March 2015	<u>-</u>
Net book value	
At 31 March 2015	<u>-</u>
At 31 March 2014	<u>14,973</u>

Finance lease agreements

Included within the net book value of £Nil is £Nil (2014 - £14,973) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £Nil (2014 - £28,698).

SOUTH LAKELAND LEISURE LIMITED

NOTE TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

17 Stocks

	2015 £	2014 £
Stock	—	8,551

18 Debtors

	2015 £	2014 £
Trade debtors	—	20,253
Other debtors	1,008	13,838
Prepayments	1,878	2,319
	<u>2,886</u>	<u>36,410</u>

19 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	5,994	20,979
Taxation and social security	—	51,505
Finance lease agreements	—	18,561
Deferred income (Note 20)	—	—
Other creditors	—	22,170
Accruals	4,452	96,433
	<u>10,446</u>	<u>209,648</u>

Net obligations under finance lease contracts were secured by fixed charges on the assets concerned.

20 Deferred income

	2015 £	2014 £
Total deferred income at 1 April 2014	—	55,363
Amounts received in the year	—	—
Amounts credited to statement of financial activities	—	(55,363)
Total deferred income at 31 March 2015	<u>—</u>	<u>—</u>

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YEAR ENDED 31 MARCH 2015

21 Pension and other post-retirement benefits

South Lakeland Leisure's membership of the County Council Pension Fund ceased on 31 March 2014 and no further contributions are payable to the fund after 31 March 2014. No FRS 17 report has been prepared in respect of the year ended 31 March 2014 as the trustees considered that the cost of preparation of such report would not be proper use of charitable funds. As a consequence, the deficit brought forward less contributions paid in the year, has been released to the statement of financial activities, rather than being apportioned between current service costs, other financial income/cost and actuarial gain/loss. The resulting credit of £53,764 is shown as a gain on cessation of membership of the pension fund.

Pension contributions amounting to £Nil were outstanding at 31 March 2015 (2014 £Nil).

	2015	2014
	£	£
At 1 April 2014	-	(117,000)
Contributions	-	63,236
Gain on cessation of membership of pension fund	-	53,764
At 31 March 2015	<u>-</u>	<u>-</u>

22 Commitments under operating leases

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
Within 1 year	<u>-</u>	<u>1,886</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

23 Contingencies

The contingent liability position has been covered by the Trustees' Report on page 5. The Trustees are confident that the uncertainty surrounding the issue can be met by providing grants in line with the company's objectives.

In the year ended 31 March 2014 the company had a contractual obligation to pay to South Lakeland District Council (SLDC) dilapidations on the vacation of the leisure centre premises which occurred on 31 March 2014 on the termination of the company's contract to operate these premises on behalf of SLDC. SLDC have commissioned a report on dilapidations which quantified these at £81,000. However the trustees did not accept this amount and contested that account should be taken of the improvements made at the centres by the company during its occupation. Negotiations between the two parties took place and a compromise is that the company might agree to provide funds to support the construction of new facilities at one of the centres. Such funding would be in line with the on-going charitable objectives of the company to assist in the provision of leisure facilities for the benefit of South Lakeland and would be accounted for in the period in which the funds were advanced. Funding of £112,157 has been given by the company for the 3G pitch at Ulverston Leisure Centre (note 7) and the company has been released from any obligation that it might have had to pay for dilapidations.

24 Related party transactions

During the year South Lakeland Leisure incurred costs of £9,515 (2014 - £4,436) to Macron Properties Limited in respect of the services of Company Secretary G Ronson. G Ronson is a director of Macron Properties Limited.

Following the termination of the leisure facilities contract on 31 March 2014 South Lakeland Leisure Limited and South Lakeland District Council are no longer related parties for the purposes of the Financial Reporting Standard for Smaller Entities (effective April 2008), Related Party Disclosures. South Lakeland District Council nominated two trustees and provided Community Partnership funding to enable the charitable company to carry out its objects. Material transactions with South Lakeland District Council in the year ended 31 March 2014 are shown below:-

South Lakeland Leisure owed £2,988 to South Lakeland District Council.

Income

Community Partnership funding receivable £661,290.

Expenditure

Support services £12,948

Electricity recharge £168,189.

25 Control

There is no single ultimate controlling party of South Lakeland Leisure throughout the current and previous year.