

Company no 05386540  
Charity no 1112020

**Adur Community Leisure Limited**  
**Report and Financial Statements**  
**31 March 2010**

SATURDAY



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COMPANIES HOUSE

**sayer vincent**

*consultants and auditors*

## **Adur Community Leisure Limited**

### **Reference and administrative details**

**For the year ended 31 March 2010**

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<b>Legal status</b>	Company limited by guarantee (no 05386540) and registered charity (no 1112020) Incorporated on 9 March 2005	
<b>Registered office</b>	Blackshots Leisure Centre Blackshots Lane Grays, Essex RM16 2JU	
<b>Operational addresses</b>	Southwick Leisure Centre Old Barn Way Southwick, West Sussex BN42 4NT  Wadurs Community Pool Kingston Broadway Shoreham By Sea, West Sussex BN43 6TE	Lancing Manor Leisure Centre Manor Road Lancing, West Sussex BN15 0PH
<b>Trustees</b>	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows  Cllr K Dollemore Mrs S Hellenburgh Mr G Hodgson Mr D Vandyke Mr P Wilson Ms M Woolacott Mr R Wright Cllr T Nicklen (resigned 18 May 2009) Cllr R Hotton (appointed 19 May 2009) Mr I Hughes (resigned 1 July 2009) Mr R Brattle Ms A Mckoy (appointed 27 July 2009)	
<b>Bankers</b>	National Westminster Bank Plc 17 High Street Grays, Essex RM17 6NP	
<b>Solicitors</b>	Lawrence Graham 4 More London Riverside London SE1 2AU	
<b>Auditors</b>	Sayer Vincent Chartered accountants and statutory auditors 8 Angel Gate, City Road London EC1V 2SJ	

## **Adur Community Leisure Limited**

### **Report of the trustees**

#### **For the year ended 31 March 2010**

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The trustees present their report and the audited financial statements for the year ended 31 March 2010

Reference 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**

Adur Community Leisure (ACL) is a community organisation working in partnership with Adur District Council (ADC) and other organisations, to provide leisure opportunities within the Adur area. ACL came into existence when ADC transferred leisure facilities to ACL on 1 July 2005.

ACL is a registered charity and company limited by guarantee. ACL 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 ACL. The board of trustees (volunteers) are drawn from all sections of the local community. Two elected councillors of ADC are included on the board. Once appointed, trustees act in their personal capacity 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

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

ADC elects two representatives to the board annually, although for continuity it is useful if the same councillors continue to be trustees of ACL 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 the ADC 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 or another person. At each 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 the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2010 was 12 (10 in 2009).

Should there be a need to attract new trustees to the board, then the membership of the company can be consulted to put prospective trustees forward, in addition adverts are placed in appropriate media.

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

## **Adur Community Leisure Limited**

### **Report of the trustees**

#### **For the year ended 31 March 2010**

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As a charity, ACL 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. ACL buys its senior management, administration, finance, human resources function, support and development function from IL and an Intra-group Agreement governs this arrangement.

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

ACL aligns its strategy with that of IL and in pursuit of its mission. The mission is 'Creating active and healthy communities' although this has yet to be fully implemented. The company has a number of goals. These are to, -

- *Provide clean, safe, friendly and accessible leisure facilities, which provide a value for money top class service to all members of the communities in which we work*
- *Cultivate relationships with potential partners including local authorities, education (schools), health providers, youth services, crime reduction agencies and social care providers*
- *To improve the communities in which we work, as healthier places to work, live and grow*
- *Identify areas, and where appropriate with partners create and influence the provision of new leisure facilities, and or opportunities*
- *Explore and take opportunities to expand the operations of the company and its subsidiaries, increasing turnover to above £10,000,000 before March 2013, with a view to improved operational efficiency*
- *To continue to value all members of staff as important assets*
- *Where relevant seek external funding, and or sponsorship in identified areas*

In defining its objects ACL has defined aims which are, -

#### **People**

- To recruit, retain and reward well motivated staff who provide a friendly service to all of our customers all of the time
- To maintain a personnel policy and training plans, that develop professional staff to their full potential, improves performance instils self value and ensures succession
- To react swiftly and decisively to staff problems and issues in a fair and equitable manner

#### **Quality of service**

- Obtain and maintain relevant quality assurance accreditation at each unit, where applicable
- To identify and carry out planned improvements to facilities and services each year
- To constantly consult with our customers to obtain their views, measure their satisfaction levels and develop their ideas into actions wherever possible
- Conduct one non-user survey regularly in conjunction with ADC where appropriate

## **Adur Community Leisure Limited**

### **Report of the trustees**

#### **For the year ended 31 March 2010**

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- Develop and maintain the image of ACL/Impulse Leisure as a distinct forward thinking top quality leisure provider
- Develop services and facilities that promote social inclusion and provide equity of access

#### **Performance**

- To continually improve, maintain and manage budgeting and accounting systems that enhance management control and effectiveness
- Increase overall attendance levels therefore providing services to the wider community
- Agree specific usage targets for specific groups and activities with ADC, the Primary Care Trust (PCT) and other partners
- Increase income levels year on year, but control costs so that viability improves
- Reduce reliance on ADC funding
- To plan, organise and review services in line with customer expectations using Best Value principles
- Use expansion/acquisition (internal or external) to improve financial stability

#### **Funding**

- To seek external funding (excluding ADC) to expand the services and facilities on offer
- Undertake activity which will ensure ADC understand the value of ACL/Impulse Leisure to the community and its development

#### **Partnerships**

- Enhance existing or develop new partnerships wherever possible
- To be an influential member of relevant partnerships, as well as taking a lead role in forming new partnerships which will improve leisure opportunities or reduce costs
- To become the 'Partner of Choice' with a wide range of organisations

#### **Facilities**

- Develop wide ranging and varied program of activities and events at all facilities
- Use surpluses to continually maintain and invest in facilities to improve services, accessibility and the physical surroundings
- To provide the cleanest and safest possible facilities

#### **Systems**

- To continually improve, maintain and manage systems and procedures in all areas, which are clear and comprehensive
- To continually improve and develop the use of new information communication technology systems to enhance the services and management of ACL/Impulse Leisure

A full review of the activities of ACL, throughout the year is published in the 2009 – 2010 Annual Report

## **Adur Community Leisure Limited**

### **Report of the trustees**

**For the year ended 31 March 2010**

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#### **Achievements and performance**

ACL took over the management of three leisure centres at Lancing Manor, Southwick and Wadurs in July 2005. ACL have since that time traded as Impulse Leisure.

In line with our aims around quality of service we have continued to undertake customer satisfaction surveys in which customers allocate scores in the areas of cleanliness, staffing and health and safety. It was pleasing that previous improvements in customer satisfaction have been maintained and improved further during the year.

The main concentration during the year was to continue maximise the return from the previously completed redevelopments at Southwick and Lancing Manor Leisure Centres, whilst at the same time minimising costs. Whilst income fell marginally below targets during the year it represented good growth on the previous year, despite the economic climate. Costs were largely controlled well with one or two surprises causing a number of overspends. Nevertheless, the staff cost as a percentage of total income ratio continued to improve.

ACL remains committed to continuous improvement, this makes our facilities more attractive to new customers and obviously increases the value for money our existing customers receive. Consequently, our main category of membership (Platinum) has continued to grow. As a result more people have attended the fitness facilities ensuring that ACL continue to succeed towards its mission of 'creating active and healthy communities'.

In addition to the above, the following are a list of some notable activities/improvements during 2009/2010 -

- Increased staff satisfaction
- Maintained good levels of sickness absence and employee turnover
- Continuous safety improvements
- Further management and administration efficiencies
- Expanded swimming lesson provision
- Partnership work with a local trust boosting income levels for both organisations
- Further expansion of partnership working with a number of organisations including ADC Sports Development, Schools, Local Clubs, Sports Governing Bodies, County Sports Development

#### **Finance**

ACL has been able to increase income by £61,000 (3%) over the previous year, only marginally below set targets. Costs were largely controlled well. As a result, ACL made an operational surplus of £67,000 in the year. This included a prior year adjustment of £52,000 that relates to the reclassification of assets acquired during the previous year, leaving an overall operational surplus on the year of £15,000. This has resulted in a slightly larger cash out flow than anticipated.

Nevertheless, ACL has been able to set achievable budgets for 2010/11 that result in a net cash in flow to the business, in line with plans outlined in previous years by Management and Trustees, that ensure sufficient cash is available in coming years to improve the financial stability of ACL.

## **Adur Community Leisure Limited**

### **Report of the trustees**

**For the year ended 31 March 2010**

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#### **Future plans**

The trustees are aware of the deficits carried forward, but this year's trading surplus, future budget surplus and continued support of the company bankers indicate that the company will be a going concern

ADC and ACL have agreed funding levels for the foreseeable future (next 5 years) This gives TCL some stability and a platform for future planning Contingency plans are being developed for further financial hardship brought about by the recession and the expected prolonged recovery

In line with ADC agreements and our own strategy, ACL aims to decrease dependency on funding, whilst improving services and facilities

ACL will continue to provide new and improved services both to its existing, and external to its current provision and through the holding company (IL), will actively seek to work with other local authorities, although this is proving difficult at present Further expansion, or joint work with other like-minded organisations in future 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

In 2010/2011 we plan to continue to consolidate our position and continue our efforts into developing and maximising the returns from the existing services Our other main area of concentration will be the achievement of QUEST registration at Lancing Manor Our plans include maximising financial efficiency over the coming years by growing the turnover of the organisation, whilst controlling costs

We will be seeking new Information Communications Technology (ICT) service providers during 2010/2011 as the current providers (Vertex) are unable to provide us with continuing value for money services This may result in increased costs to the business, although wherever possible every attempt is being made to minimise the potential increase whilst improving the service

Other longer-term potential facility improvements include -

- Continuous redecoration and facility improvement
- Refurbishment of the sports hall floor at Lancing
- Improvements to front of house appearance at Lancing Manor and Wadurs
- Investigation into alternative usage for part of Southwick's sports hall
- Investigation into relocating bar and catering at Southwick
- Disabled access improvements during all refurbishment work
- Environmental conservation measures including
  - Use of new pool water disinfection technology, reducing the need for chemical additives
- Seeking external funds for applicable investments
- 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 ACL 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

## **Adur Community Leisure Limited**

### **Report of the trustees**

**For the year ended 31 March 2010**

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#### **Reserves policy**

The charity is at present reliant upon funding from ADC. The charity is therefore looking to control its costs to reduce its reliance on this funding. The trustees and management team are aware of the ongoing need to increase the working capital base, whilst also making commitments to continual improvements in facilities. ACL will seek agreement with ADC on an appropriate level of reserves when ACL is in a position to generate them.

#### **Investment policy & performance**

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 whilst retaining sufficient liquidity.

#### **Statement of responsibilities of the trustees**

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure of the group for the year. In preparing those financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards and statements of recommended practice 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 charity will continue in operation.

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

Each of the trustees confirm that to the best of his/her knowledge there is no information relevant to the audit of which the Auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2010 was 12. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the group or the charity.



**Adur Community Leisure Limited**

**Report of the trustees**

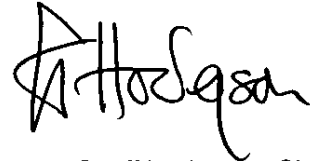
**For the year ended 31 March 2010**

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**Auditors**

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

Approved by the trustees on 20 September 2010 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'G Hodgson', with a stylized initial 'G'.

Geoff Hodgson - Chair

## **Independent auditors' report**

### **To the members of**

#### **Adur Community Leisure Limited**

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We have audited the financial statements of Adur Community Leisure Limited for the year ended 31 March 2010 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 the trustees and auditors**

The responsibilities of the trustees (who are also the directors of Adur Community Leisure Limited for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of responsibilities of the trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the trustees' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 the 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 misstatement, 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.

## **Independent auditors' report**

**To the members of**

**Adur Community Leisure Limited**

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### **Opinion**

**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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the trustees' annual report is consistent with the financial statements

**SAYER VINCENT**

8 Angel Gate

City Road

LONDON

EC1V 2SJ

Catherine L Sayer, Senior Statutory Auditor  
for and on behalf of Sayer Vincent, Statutory Auditors

7 October 2010

# **Adur Community Leisure Limited**

## **Statement of financial activities**

*(incorporating an income and expenditure account)*

**For the year ended 31 March 2010**

		<b>31 March 2010 Total £</b>	<b>31 March 2009 Total £</b>
	<b>Note</b>		
<b>Incoming resources</b>			
<i>Incoming resources from generated funds</i>			
Investment income		<b>76</b>	<b>1,628</b>
<i>Incoming resources from charitable activities</i>			
Service fees	<b>2</b>	<b>229,000</b>	<b>238,500</b>
Fees & charges			
Leisure centre income		<b>1,757,433</b>	<b>1,673,121</b>
Catering facilities		<b>159,676</b>	<b>178,172</b>
Other income		<b>5,832</b>	<b>-</b>
<b>Total incoming resources</b>		<b><u>2,152,017</u></b>	<b><u>2,091,421</u></b>
<b>Resources expended</b>			
<i>Costs of generating funds</i>			
Promotion & publicity	<b>3</b>	<b>46,306</b>	<b>41,295</b>
<i>Charitable activities</i>	<b>4,5</b>		
Leisure centres		<b>1,866,225</b>	<b>1,906,562</b>
Catering facilities		<b>141,206</b>	<b>148,244</b>
<i>Governance costs</i>		<b><u>31,559</u></b>	<b><u>34,048</u></b>
<b>Total resources expended</b>		<b><u>2,085,296</u></b>	<b><u>2,130,149</u></b>
<b>Net incoming / (outgoing) resources for the year</b>	<b>6</b>	<b>66,721</b>	<b>(38,728)</b>
Actuarial losses on defined benefit scheme	<b>14</b>	<b><u>(378,000)</u></b>	<b><u>(171,000)</u></b>
<b>Net movement in funds</b>		<b>(311,279)</b>	<b>(209,728)</b>
<b>Reconciliation of funds</b>			
Funds at the start of the year		<b><u>(268,738)</u></b>	<b><u>(59,010)</u></b>
<b>Funds at the end of the year</b>		<b><u>(580,017)</u></b>	<b><u>(268,738)</u></b>

All of the above results are derived from continuing activities and are unrestricted. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 13 to the financial statements.

**Adur Community Leisure (Limited by guarantee)**

Company no. 05386540

**Balance sheet****As at 31 March 2010**

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible fixed assets	9	190,047	118,157
<b>Current assets</b>			
Stocks		17,622	13,401
Debtors	10	14,503	7,805
Cash at bank and in hand		<u>116,118</u>	<u>58,670</u>
		148,243	79,876
<b>Current liabilities</b>			
Creditors amounts due within one year	11	<u>187,604</u>	<u>298,366</u>
<b>Net current liabilities</b>		(39,361)	(218,490)
<b>Total assets less current liabilities</b>		<u>150,686</u>	<u>(100,333)</u>
<b>Creditors amounts falling due after more than one year</b>	12	<u>(198,703)</u>	<u>(19,405)</u>
<b>Net liabilities excluding pension liability</b>		(48,017)	(119,738)
<b>Defined benefit pension scheme liability</b>	14	<u>(532,000)</u>	<u>(149,000)</u>
<b>Net liabilities including pension liability</b>		<u>(580,017)</u>	<u>(268,738)</u>
<b>The funds of the charity</b>			
Unrestricted income funds			
Pension reserve		(532,000)	(149,000)
General funds		<u>(48,017)</u>	<u>(119,738)</u>
<b>Total charity funds</b>	13	<u>(580,017)</u>	<u>(268,738)</u>

Approved by the trustees on 20 September 2010 and signed on their behalf by



Geoff Hodgson - Chair

## **Adur Community Leisure Limited**

### **Notes to the financial statements**

**For the year ended 31 March 2010**

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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 and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

##### **Going concern**

The organisation has negative unrestricted general funds at 31 March 2010 of £48,017. This is a result of activity in the year being less than budgeted. The Board of trustees is confident that further income can be generated and costs reduced if necessary to produce a future surplus. They therefore consider it appropriate to prepare the financial statements on a going concern basis.

- b) Grants and service fees 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 allocated to the particular activity where the cost relates directly to that activity. Resources expended include attributable VAT which cannot be recovered. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Leisure centres	75%
Catering facilities	13%
Support costs	12%

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

Leisure centres	94%
Catering facilities	2%
Governance costs	4%

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) All income and activities are within the unrestricted funds of the charity. Unrestricted funds are core grants and other incoming resources received or generated for the charitable purposes.
- e) 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.

## Adur Community Leisure Limited

### Notes to the financial statements

For the year ended 31 March 2010

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#### 1. Accounting policies (continued)

- f) 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 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.

- g) Stocks are stated at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stocks.
- h) 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 14.

#### 2. Service fees

The service fee represents amounts payable by Adur District Council, net of VAT.

#### 3. Promotion & publicity costs

	31 March 2010 Total £	31 March 2009 Total £
Promotion & publicity - direct costs	<u>46,306</u>	<u>41,295</u>
	<u>46,306</u>	<u>41,295</u>

**Adur Community Leisure Limited**

**Notes to the financial statements**

**For the year ended 31 March 2010**

<b>4 Charitable expenditure</b>	<b>Leisure centres £</b>	<b>Catering facilities £</b>	<b>Support costs £</b>	<b>Governance costs £</b>	<b>31 March 2010 Total £</b>	<b>31 March 2009 Total £</b>
Staff Costs (Note 7)	743,056	30,453	139,137	-	912,646	968,553
Premises costs	215,338	974	59,800	-	276,112	346,172
Purchases for resale	45,071	83,458	-	-	128,529	125,091
Office administration costs	273,866	13,791	427,546	-	715,203	642,538
Audit & accountancy	-	-	-	6,500	6,500	6,500
<b>Total resources expended</b>	<b>1,277,331</b>	<b>128,676</b>	<b>626,483</b>	<b>6,500</b>	<b>2,038,990</b>	<b>2,088,854</b>
Re-allocation of support costs	588,894	12,530	(626,483)	25,059	-	-
<b>Total resources expended</b>	<b>1,866,225</b>	<b>141,206</b>	<b>-</b>	<b>31,559</b>	<b>2,038,990</b>	<b>2,088,854</b>



# Adur Community Leisure Limited

## Notes to the financial statements

For the year ended 31 March 2010

### 5. Support costs

Support costs are allocated to charitable activities as follows

	Leisure Centres £	Catering facilities £	Governance costs £	31 March 2010 Total £	31 March 2009 Total £
Staff costs	130,789	2,783	5,565	139,137	180,954
Premises costs	56,212	1,196	2,392	59,800	82,810
Office costs	401,893	8,551	17,102	427,546	424,946
	<u>588,894</u>	<u>12,530</u>	<u>25,059</u>	<u>626,483</u>	<u>688,710</u>

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

This is stated after charging

	31 March 2010 £	31 March 2009 £
Interest payable	8,841	12,504
Depreciation	35,463	13,992
Trustees' remuneration	-	-
Trustees' reimbursed expenses	-	-
Auditors' remuneration		
▪ Audit	6,500	6,500
Operating lease rentals		
▪ Equipment	176,427	128,145

### 7. Staff costs and numbers

Staff costs were as follows

	31 March 2010 £	31 March 2009 £
Salaries and wages	838,615	836,538
Social security costs	44,952	45,299
Pension costs	29,079	41,564
Other staff costs	-	45,152
	<u>912,646</u>	<u>968,553</u>
Total emoluments paid to staff were	<u>867,694</u>	<u>878,102</u>

**Adur Community Leisure Limited**

**Notes to the financial statements**

**For the year ended 31 March 2010**

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**7. Staff costs and numbers (continued)**

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

The average weekly number of employees during the period was as follows

	<b>31 March 2010 No.</b>	<b>31 March 2009 No</b>
Leisure centres	<b>51</b>	56
Support staff	<b>3</b>	1
Promotion and publicity	<b>1</b>	3
	<b><u>55</u></b>	<b><u>60</u></b>

**8. Taxation**

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

**9. Tangible fixed assets**

	<b>Leasehold improvements £</b>
<b>Cost</b>	
At the start of the year	143,809
Additions in year	<u>107,353</u>
At the end of the year	<u>251,162</u>
<b>Depreciation</b>	
At the start of the year	25,652
Charge for the year	<u>35,463</u>
At the end of the year	<u>61,115</u>
<b>Net book value</b>	
At the end of the year	<b><u>190,047</u></b>
At the start of the year	<b><u>118,157</u></b>

**Adur Community Leisure Limited**

**Notes to the financial statements**

**For the year ended 31 March 2010**

**10. Debtors**

	2010 £	2009 £
Prepayments	<u>14,503</u>	<u>7,805</u>
	<u><b>14,503</b></u>	<u><b>7,805</b></u>

**11. Creditors: Amounts falling due within one year**

	2010 £	2009 £
Bank loan	55,968	116,677
Other loans	42,300	-
Trade creditors	19,935	29,391
Taxation & social security	15,487	16,528
Pension contributions	-	4,427
VAT payable	10,525	1,148
Amount owed to parent	167	86,759
Amount owed to other group companies	144	4,198
Accruals	<u>43,078</u>	<u>39,238</u>
	<u><b>187,604</b></u>	<u><b>298,366</b></u>

**12. Creditors: Amounts falling due after one year**

	2010 £	2009 £
Bank loan (payable in 1-2 years)	55,968	19,405
Other loans (payable in 1-2 years)	39,250	-
Bank loan (payable in 2-5 years)	99,485	-
Other loans (payable in 2-5 years)	<u>4,000</u>	<u>-</u>
	<u><b>198,703</b></u>	<u><b>19,405</b></u>

No interest was payable on the bank loan in the prior year. The repayments now fall due as the full available loan has been drawn down, so from May 2007 the total loan is payable over three years.

# Adur Community Leisure Limited

## Notes to the financial statements

For the year ended 31 March 2010

### 13. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
<b>Unrestricted funds:</b>				
Pension reserve	(149,000)	-	(383,000)	<b>(532,000)</b>
General funds	<u>(119,738)</u>	<u>2,152,017</u>	<u>(2,080,296)</u>	<u><b>(48,017)</b></u>
<b>Total unrestricted funds</b>	<u><b>(268,738)</b></u>	<u><b>2,152,017</b></u>	<u><b>(2,463,296)</b></u>	<u><b>(580,017)</b></u>

### 14. Pension scheme

Employees of Adur Community Leisure are admitted to the West Sussex County Council Pension Fund, a defined benefit scheme which is administered by West Sussex 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 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 full actuarial valuation of the Fund carried out by Hymans Robertson as at 31 March 2010.

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

	2010 £'000	2009 £'000
Present value of funded obligations	1,153	795
Fair value of plan assets	<u>(1,685)</u>	<u>(944)</u>
	(532)	(149)
Present value of unfunded obligations	-	-
Unrecognised past service cost	<u>-</u>	<u>-</u>
Net liability	<u><b>(532)</b></u>	<u><b>(149)</b></u>
Amounts in the balance sheet		
Liabilities	1,153	795
Assets	<u>(1,685)</u>	<u>(944)</u>
Net liability	<u><b>(532)</b></u>	<u><b>(149)</b></u>

**Adur Community Leisure Limited**

**Notes to the financial statements**

**For the year ended 31 March 2010**

**14. Pension scheme (continued)**

Amounts recognised in net incoming resources are as follows

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	<b>24</b>	34
Interest on obligation	<b>66</b>	66
Expected return on plan assets	<b>(52)</b>	(70)
Past service cost	-	16
Losses (gains) on curtailments and settlements	-	-
<b>Total</b>	<b><u>38</u></b>	<b><u>46</u></b>
<b>Actual return on plan assets</b>	<b><u>327</u></b>	<b><u>(205)</u></b>

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

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	<b>944</b>	929
Service cost	<b>24</b>	34
Interest cost	<b>66</b>	66
Actuarial losses / (gains)	<b>15</b>	18
Losses / (gains) on curtailments	<b>653</b>	(103)
Past service costs	-	16
Liabilities extinguished on settlements	-	-
Benefits paid	<b>(17)</b>	(16)
<b>Closing defined benefit obligation</b>	<b><u>1,685</u></b>	<b><u>944</u></b>

Changes in the fair value of plan assets are as follows

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	<b>795</b>	959
Expected return	<b>52</b>	70
Actuarial gains and (losses)	<b>275</b>	(274)
Assets distributed on settlements	-	-
Contributions by member	<b>15</b>	18
Contributions by employer	<b>33</b>	38
Benefits paid	<b>(17)</b>	(16)
<b></b>	<b><u>1,153</u></b>	<b><u>795</u></b>

# Adur Community Leisure Limited

## Notes to the financial statements

### For the year ended 31 March 2010

#### 14 Pension scheme (continued)

The charity expects to contribute £37,000 to its defined benefit pension plan in 2011

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

	2010 %	2009 %
Equities (split into material classes eg European, North American)	76%	70%
Bonds (split into material classes eg European, North American)	15%	19%
Property	6%	8%
Cash	3%	3%

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

	2010 %	2009 %
Discount rate at the end of the year	3.8%	6.9%
Expected return on plan assets at the end of the year	7.2%	6.4%
Future salary increases	5.3%	4.6%
Future pension increases	5.5%	3.1%

The return on the fund is based on actual fund returns as provided by the Administering Authority and index returns where necessary

Amounts for the current and previous four periods are as follows

	2010 £	2009 £	2008 £	2007 £	2,006 £
Defined benefit obligation	(1,685)	(944)	(929)	(1,182)	(1,189)
Plan assets	1,153	795	959	1,054	989
Surplus / (deficit)	(532)	(149)	30	(128)	(200)
Experience adjustments on plan liabilities	-	(1)	127	-	-
Experience adjustments on plan assets	275	(274)	(164)	(20)	106

**Adur Community Leisure Limited**

**Notes to the financial statements**

**For the year ended 31 March 2010**

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**15. Operating lease commitments**

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

	<b>2010</b>	<b>2009</b>
	<b>Equipment</b>	<b>Equipment</b>
	<b>£</b>	<b>£</b>
Less than 1 year	<b>20,041</b>	17,438
1 - 2 Years	-	-
2 - 5 Years	<b>135,754</b>	114,031
More than 5 years	<b>20,632</b>	20,632
	<b><u>176,427</u></b>	<b><u>152,101</u></b>

**16. Parent undertaking**

The ultimate parent undertaking is Impulse Leisure, a company limited by guarantee (no 5220291) The relationship between Impulse Leisure and Adur Community Leisure is governed by an Intragroup Agreement Whereas the intention of the agreement is to grant Adur 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 corporate management services to Adur Community Leisure and is responsible for setting group strategies and minimum standards