

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

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2023
FOR
THURROCK COMMUNITY LEISURE LIMITED GROUP

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

THURROCK COMMUNITY LEISURE LIMITED GROUP

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FOR THE YEAR ENDED 31 MARCH 2023

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THURROCK COMMUNITY LEISURE LIMITED GROUP

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES	Tunde Ojetola (Chair) Wayne Warner (Resigned 22/12/2022) Jatinder Nahal (Vice Chair) Barry Norrington Dr James Watson Juan Rangel (Resigned 08/08/2023) Kameel Mohammed Lynn Worrall (Resigned 12/08/2022) Mark Coxshall (Appointed 14/03/2023 – Resigned 26/05/2023) Andrew Jefferies (Appointed 27/09/2022 – Resigned 13/07/2023) Patrick Cole (Appointed 13/07/2023) Joanne Wintour (Appointed 30/01/2023) James Thandi (Appointed 13/06/2023) Joy Redsell (Appointed 13/07/2023) Daphine Zameziza Longe (Appointed 01/08/2023)
COMPANY SECRETARY	Kay Volk
MANAGING DIRECTOR	Karl Hayes
REGISTERED OFFICE AND OPERATIONAL ADDRESS	Blackshots Leisure Centre Blackshots Lane GRAYS Essex RM16 2JU
TRADING AS	Impulse Leisure
REGISTERED COMPANY NUMBER	03782811 (England and Wales)
REGISTERED CHARITY NUMBER	1080186
AUDITORS	McCabe Ford Williams Statutory Auditors and Chartered Accountants Kent Science Park, Building 1063 Cornforth Drive, Sittingbourne, Kent ME9 8PX
BANKERS	National Westminster Bank PLC 17 High Street, Grays Essex, RM17 6NP
SOLICITORS	Winckworth Sherwood Minerva House, 5 Montague Close LONDON, SE1 9BB

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

The trustees who are also directors of the group and charity for the purposes of the Companies Act 2006, present their report with the financial statements of the group and charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). Reference 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: SORP applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

Purposes and aims

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

The strategy of TCL is the pursuit of its mission, which continues to be ever more important to the community needs. The mission is 'Creating active & healthy communities'.

TCL's priorities include -

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

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

The facilities are managed to maximise financial efficiency and generate surplus wherever possible. When surpluses are generated, 100% of the surpluses are used to maintain, improve, and extend the facilities and services provided for the benefit of the local community. Service improvements are used to generate improved efficiency, increase income and to improve the health and wellbeing of the community.

In shaping objectives and planning activities, the trustees considered the Charity Commission's guidance on public benefit, including the guidance on fee charging. TCL relies on external programme funding, but mainly the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the trustees give careful consideration to the accessibility of the services for those on low incomes and those from other disadvantaged groups. As a result, significant pricing discounts are available to concessionary groups. In addition, special programmes and sessions are planned and delivered to help disadvantaged members of the community improve their health and wellbeing, through participating in relevant activities. Specific examples of work undertaken to target public benefit, sometimes at the expense of financial efficiency include employment of apprentices where possible, delivery of numerous health and mental wellbeing improvement programmes (often in partnership with others), offering free taster sessions, attending community events and provision of memberships to community groups working with disadvantaged communities.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Achievement and performance

As the global pandemic entered a phase of control, led by the high levels of immunisation that provided a sufficient decline in severe cases that enabled daily restrictions to return to normality.

Consumer confidence started to return with many preferring to exercise in clubs rather than at home or outdoors. We have continued our mission to promote the benefits of physical activity and maintained some of the Covid protection measures to continue to grow this level of confidence. However, the majority of Leisure Trusts in the UK reported a sustained loss of approximately 10% of customers causing a shortfall in income from the March 20 pre-covid baseline. We mirrored these figures but have worked extremely hard to encourage more users and Members.

The National shortage of Leisure professionals continued which consistently affected our ability to grow due to a lack of Swim Teachers to meet the rising demand for Swimming Lessons. This demand was generated from a two-year backlog of children that were unable to have swimming lessons during the Covid lockdowns and restrictions.

Following a partial summer of management at the Splash Park at Grays Beach, it was agreed to train and return control back to the Lightship Café CIC to ensure its ongoing sustainability.

Russia invaded Ukraine which had a global effect on utilities around the world and in particular Europe. The impact of huge price increases during the winter months affected business growth as consumers struggled to pay energy bills along with our own difficulties in securing affordable rates. Other issues affected by the war include large shortages of supplies such as pool chemicals, IT chips, and many incidental goods. These shortages also push prices to rise above CPI norms.

We took advantage of the Government temporary support for utility capping, however in doing so we had to commit to a 6 month increase in contract price of over 4 times the normal rates. This increase was mitigated by reductions in consumption, capital repayment break on the SIB loans and utilisation of reserves.

We managed in the early part of the year to settle many of the legacy bills, whilst maintaining a good cash position

Costs throughout the year have been constantly monitored and controlled but with increases in prices for most goods and services this has been a challenge. All facilities remained fully open and met customer expectations in ensuring value for money within their membership fees including access to hot water for showers reducing their own costs and a warm space during the cold months.

Total attendance levels in service continue to rise and we are seeing that the patterns of behaviour have now returned to pre covid trends.

Swimming lessons (I-swim) numbers have continued to be the star of the show with class numbers at capacities and large waiting lists. Unfortunately, closures at Corringham due to Plant replacement stunted this growth and Belhus struggled with gaining sufficient teachers to deliver to the latent demand. This remains extremely frustrating, and we make every effort to train and retrain new teachers but this takes time.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Achievement and performance – continued

Management and staff continue to do a terrific job in maintaining the service and facilities during periods of low resource. Despite these challenges TCL continued to improve and extend the services provided. In addition to normal essential planned and preventative maintenance there has been several refurbishment and upgrade projects and general service improvements most notably –

Blackshots

- Upgraded the Poseidon drowning detection systems with new cameras and software.
- Repair and replacement of the front entrance steps
- External signage replacement
- Upgrade of the rebounder class trampettes

Belhus Park

- Upgraded the Poseidon drowning detection systems with new cameras and software.
- Upgrade of the rebounder class trampettes
- Foot golf course improvements
- Replacement of the football goals

Corringham

- Upgraded the Poseidon drowning detection systems with new cameras and software.
- Pool village partial locker lock conversion to a padlock system
- Health Suite air handling improvements and repairs
- Council Works in pool plant replacement
- Council Works in flat roof replacement

The Gym Hub

- Relocation and repair of the Air conditioning external units
- Sealing and re-lining of roof gullies.

The Civic Hall

- New till and booking software.
- Improvements to the WIFI connectivity for events and staff use.
- Replacement of 400 function chairs

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Achievement and performance – continued

General

- Continued IT hardware replacement and upgrades.
- Branded, targeted, and themed campaigns have been used across all marketing collateral and socials continuing the promotion of our unique selling points, differentiating TCL from the increasing competition at key reopening points throughout the year.
- Cyber Essentials registration was maintained.
- Continued customer and staff communications have maintained a constant level of support
- The activity registration scheme launched last year continues to assist with tracking who is in the buildings from a security perspective and allows online booking for non-members. We extended the booking privilege for non-members from 5 days in advance to 7 days to encourage more participation. We have registered a further; 8,770 residents this year.
- The Impulse Leisure App continues to be a popular resource for customers which has had over 44,500 downloads enabling customers to easily book and pay for activities conveniently online as well as access other important tools including their Mywellness portal, swimming lesson portal, Mental Health advice, Online classes, @home activities and workouts as well as general updates on the service we provide.
- Our website and logo underwent a subtle refresh to ensure our brand remains current and user friendly.

The Leisure industry as a whole has been massively affected by the unprecedented increases in utility pricing. Those most effected are operators of swimming pools which we operate 7 throughout the borough. Many local Authority leisure facilities have closed swimming pools and buildings due to them being unaffordable. Our gas prices for the last 6 months of the year increased by over ten times from the previous year, this has been offset by a level of Government support, payment breaks on loans and use of reserves.

In addition, to reduce our consumption levels we took the following action;

- Reduced pool water temperatures.
- Reduced pool hall air temperatures.
- Provided localised heating of offices and lowered the heating around the buildings.
- Reduced opening times of the health suites.
- Switched off every other piece of duplicated cardiovascular equipment in the gym during quiet times.
- Increased awareness of housekeeping measures such as turning off of lights, turning off PC plugs overnight and opening of windows rather than air con.

This year we focused our capital energy projects on replacing old inefficient lighting to LED alternatives.

- Blackshots - main swimming pool lighting replaced.
- Corringham – Swimming pool lighting replaced.
- The Gym Hub - Gym lighting replaced.

A new Gas contract was secured at considerably lower rates than this year for the next 12 months.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT - continued

Achievement and performance – continued

With the work recently completed at the facilities, we are very proud that TCL has now been able to reinvest more than £8m in leasehold improvements and services (this figure excludes the significant investment in gym equipment replacements), all of which have been a great advantage to improving the accessibility and appeal for the community to live a healthy lifestyle. This demonstration of continued reinvestment highlights the tangible benefit for all by operating the 'charity model' to deliver local leisure services. Alternative solutions or service delivery models are unlikely to be able to reinvest these kind of sums, as there would have been potentially other priorities for the money, i.e., shareholder/owner profit, other council services (general fund), or investment in facilities outside of the Borough.

In addition, all services provided by TCL are available to all, including spectators, casual pay and play users as well as members. All prices remain competitive and reflect the community needs. We also offer significant concessions to those most in need, including heavily discounted or free membership, with at least 50% discount on most activity prices.

All the facilities operate quality management systems to ensure the level of service provision is delivered consistently. Our systems are externally audited and endorsed by the leisure industry quality standard (QUEST). The sites have had their reassessment maintaining QUEST registration in the Very Good (Belhus Park and Corringham) and Good (Blackshots) categories following maintenance and unannounced visits and or full 2-day audits. The Gym Hub in Wickford only has a 1-day assessment and is registered with QUEST.

Customer safety is our primary objective and one we take very seriously.

We have continued to run our Customer Satisfaction surveys through the moving communities platform for consistency and transparency. In addition, we offer customer support and feedback via social media and direct feedback remains in the large positive. Our moving communities customer satisfaction results are;



The blue filter are The Thurrock Community Leisure facilities results compared to the red, which is National Averages. The satisfaction results are disappointing this year, but not unexpected following a prolonged period of swimming pools closure at Corringham. The Corringham swim customers were then moved to the other two sites which at times created difficulties in customers being able to secure a swimming slot.

Although the overall scores are lower, the averages still remain around the 7-8 which we hope to move to 9- 10 next year with a level of normality. The results for in-centre activity rather than home use increased this year which confirms the demand for indoor facilities. Thurrock's results sit above national averages.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Achievement and performance – continued

The health of the community is always at the forefront of everything we do. The initiatives we have led and been part of this year include:

- **Lung Screening** in the Blackshots car park
- **CHAPS** men's health check day
- **COPD** hospital rehabilitation was relocated from the hospital to the Civic Hall to create space for the additional Covid wards.
- **Thurrock MIND** memberships to provide a gateway of physical activity support to help those struggling with mental health issues.
- Expansion of the **Cancer Prehab and Rehabilitation** program with multiple partners in Essex.
- **Exercise on Referral** continues to support people with comorbidities affecting their daily lives. Our 12- week exercise support programme provides rehabilitation and health maintenance to enhance their quality of life. The programmes specialise on
 - Weight Management
 - Stroke
 - Mental Health
 - Parkinson's
 - Cardiac
 - Back care
 - Cancer
 - Diabetes
 - COPD
- **Football v Fat** targets people helping with weight management

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

Health and safety improvements continued throughout the year through the constant reviewing and developing of policy and procedures monitored by the Health and Safety Management Committee. Accident numbers for the year were again low but reflective of lower attendances with no major accidents or incidents to note. All accidents and incidents are still recorded via STITCH which also compares our average with the National rate.

We continue to recognise and reward those long serving loyal team members. This year we acknowledged:

- 2 x 30-year service awards
- 1 x 20-year service award
- 1 x 10-year service award

The staff benefits scheme remains more valuable than ever with increasing costs to most employees personal bills, these all-year-round benefits provide discounts and promotions at high profile national retailers, restaurants, and other popular organisations, and has continued to be used well by employees.

General short term Sickness absence has not been a major issue this year, however we have managed extended periods of sickness absence at a senior level which has been challenging at times.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Achievement and performance – continued

We continue to be an Employer Partner of CIMSPA with a commitment to ensure relevant staff are members of the industries professional institute. Relevant staff who are members have access to over 2000 hours of online training suitable for undertaking the required CPD relevant to their membership category.

A number of HR policies have been refreshed/updated and introduced to ensure our managers and employees have the latest guidance and understanding to manage their teams fairly and consistently.

Recruiting qualified personnel has been a major challenge this year as we strive to meet the demands of the business. To tackle this, we have adopted a number of different strategies including Re-train opportunities for local people to qualify as Lifeguards and swim teachers, with each course part funded by Thurrock Community Leisure to ensure the course fees are not a barrier to a change in career. We also increased the number of Leisure Apprenticeships placing opportunities at all sites, these apprenticeships cover all the industry essential technical qualifications and soft skills giving the learner a flavour for each department providing a development pathway for their chosen career. We also partnered with the local College to provide work placements for Sports students. This year saw the launch of our Volunteering programme at Belhus Park Golf Course.

Our apprenticeship programme is delivered in partnership with an industry leading training provider (Creative Sports and Leisure (CSL)) forging great links with CIMSPA.

We are very grateful that there has been another good year of progress by Thurrock Council against their landlord property responsibilities despite their own financial challenges. Some urgent and essential works have been completed, and a programme of works to meet the forthcoming priorities is well underway.

Thurrock Council undertook:

- Replacement of the Corringham swimming pool plant.
- Replacement of the flat roof covering throughout the buildings at all three sites TCL Investments mentioned above.

Financial review

The budget in 2022/23 was set and approved by the Board as a next stage in our recovery with income still aiming to achieve full recovery of the March 20 figure. The processing and production of the financial management and reporting was outsourced to McCabe Ford Williams (MFW) during the prolonged period of absence of the Group Finance Manager.

Tight financial controls continued to be in place with cash flow management remaining our focus and priority.

Most payment plans previously negotiated to assist our recovery through the Pandemic have been concluded. However, an extension to the SIB loan with capital payment break was needed to help through the worst of the Utility crisis.

The Management team continued to proactively source and apply for available funding sources that the organisation was eligible for.

The Government continued to provide Rates support for Leisure through the Local Authority this year helping reduce costs.

In 21/22 we introduced more reallocation of site costs such as IT, telephone and irrecoverable vat from Management and Admin to help demonstrate true site costs. However, this became very time consuming each month and amends to the reallocation was adjusted during the budgeting for next year.

Xero accounting software was implemented from 1st April providing a refined system to help manage Management accounting, Cash Flow, Reporting, Sales ledgers, and Purchase ordering (via a linked approved app Approval Max). The system implementation has also helped with compliance to making tax digital.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Achievement and performance – continued

Financial review – continued

Despite the pool closure at Corringham, lower membership numbers at Belhus Park and overall consumer spending challenges, income overachieved on budget by £54,169. As mentioned before the costs this year have been unprecedented and a challenge to control. However, the staffing challenges has seen savings which have helped support the additional costs. The team have performed extremely well under the circumstances and managed to improve the Bottom line performance, before LGPS adjustment, better by £34,827 leaving deficit before LGPS adjustment of £177,081 (£258,081 deficit after LGPS adjustment).

Loan Capital break of 6 months equating to £63,571 was agreed by SIB to help reduce the impact of increased utility costs on bottom line and cash holding.

The 5-year corporate plan remained a challenge with the immediate focus firmly on business recovery. The forthcoming year will require a review the organisations future plans, whilst working closely with the Local Authority to link with their aspirational strategies around the delivery of Health and Leisure within the Borough.

Leisure Centres –

The Membership numbers at Blackshots has seen increased growth over the year with a number of successful membership marketing campaigns, however the growth at Corringham was limited due to an extended closure of both swimming pools whilst the Local Authority undertook a full plant replacement. Belhus Park has also struggled to make significant growth in membership due to constant staff shortages and cancel sessions as a result. Swimming lessons is a growth area and has seen increased demand. Minimal Swimming instructors due to an industry shortage and pool closures has affected our ability to meet this demand.

Office and Cottage Rent –

Cottage rental was maintained as both properties were occupied throughout the year.

Golf Shop and Bar –

Pitch hires income remained strong this year. Income and Membership for the year was down by £32,806 against budget. This was partly as a result of the reduced opening times of the Catering service, inability to recruit a golf pro and increase lessons, and the reduction in bar takes from function hires and closures due to inclement weather. This was mainly compensated by the reduction in wages and cost of sales.

Civic Hall –

The Civic Hall has had a strong year in rebuilding its profile as an events destination and not solely reliant on hirers. The bar income also reflected the increase in bookings and events. Gas costs during the winter months impacted on the cost of Premises. A replacement of event chairs will assist in the presentation of the venue especially at theatre style events. All other costs have been well managed to generate a surplus for the year.

Investments

Following recent level of business stability, we have been able to establish a minimum base line cash requirement in the short term. This has provided a level of comfort to enable us to invest the remaining cash reserves to higher rate accounts to maximise interest returns particularly with recent interest rate increases. We have minimised the risk of locking up all cash by varying duration of investments and taking advantage of the protection offered by FSCS. We currently also have some of the cash investment in Charity Bank ethical 1 year and 40 day accounts to help spread risk and have some deposits with a bank supporting charity values.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Financial review - continued

Principal risks and uncertainties

The trustees and senior management undertake an annual risk assessment process and reported on this to the full board. The overarching issue to the future, still remains the medium- and long-term impact of the Covid 19 virus, the financial impact to the Country and the possibility of its resurgence in different variants resulting in further possible restrictions and closures. The Board have reviewed the reserves policy to ensure the previous calculations remain relevant for such a situation and are confident the current policy is fit for purpose.

The other main risks identified include building failures, cost of living and utility crisis, increase in utility costs the LGPS deficit including admission agreement issues, health and safety, staff and Trustee shortages and increasing staff costs, ongoing economy uncertainty (utility and cost of living) denting consumer confidence, local politics and increasing competition. Ongoing negotiations with Thurrock Council and our own improved maintenance and servicing contracts are used to ensure that buildings and or plant are less likely to fail in such a way as to cause unplanned service disruption. Business interruption insurance is also in place. The potential for major health and safety issues to arise is taken seriously and as such TCL have a comprehensive policy and manual covering health and safety, monitored at the highest level, with Trustee involvement at bi-monthly bespoke meetings and again reported at Board meetings. Staff are also involved in the risk assessment process and everyone in the organisation is aware of the health and safety mission of 'everyone safe, every day'. Constant improvements to service and increasing value for money is the main strategy in use for dealing with competition. Marketing and promoting our unique selling points and differentiating our service from the competition has been an increased focus.

Local politics always have the potential to change, so developing good relationships with senior staff at Thurrock Council and working with them to add value to the whole range of council services raises the profile of TCL and its importance to the community. There has been a number of initiatives listed elsewhere regarding staff recruitment and retention.

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

Funds

The group has returned a deficit of £258,081 (2022:£85,125). The accumulated reserves for the group amounted to £4,673,027 (2022:£2,060,108), including restricted funds of £nil (2022:£3,498) and unrestricted funds of £4,673,027 (2022:£2,056,610).

Reserves policy and going concern

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

Operational Reserves

Are held to ensure TCL can meet expenditure commitments in the short term, whilst actions are put into place to overcome income shortfall.

Management risk strategies, insurance and contingency plans are in place to mitigate risks. As centres are all in different locations, it is unlikely that problems in one centre will have a direct impact on the remaining centres, although in the light of the unprecedented UK response to Covid 19 this assumption has been tested to retain a short closure at all sites in advance of Government support streams.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Reserves policy and going concern – continued

Operational Reserves – continued

The global pandemic was the most unusual of circumstances, and risk strategies cannot take into account every known and unknown eventuality. With the global pandemic, the government stepped in and provided resources such as furlough, lockdown and restart grants. During the period of lockdown, with all sites shut, the cost base was also reduced. The results of the past year showed TCL requirement to cover overheads whilst centres closed was £100k monthly, as government furlough support was available.

The reserves policy should therefore include overhead expenditure for all sites, whilst centres are closed, along with staff costs previously supported by furlough scheme, as this may not be available in future.

The reserve policy of TCL should provide resilience to keep going till support is available and/or give time to put alternative action in place.

Facility improvement and unexpected opportunity reserve -

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

Therefore, TCL will continue to build up to £750k, reserves to 3 months running costs for all sites when closed, and then work towards an additional £250k for Facility improvement/opportunity reserves. The £250k reflects amounts required for recent large projects such as Belhus refurbishment and Blackshots changing room works.

TCL have been able to maintain adequate cash levels to meet day to day liabilities whilst maintaining operational reserves and settling outstanding legacy liabilities. TCL is therefore meeting going concern requirements.

TCL has been working hard to get business and income back as quickly as possible, whilst remaining understanding and sympathetic to our client's readiness to return. Expenditure will continue to be closely monitored whilst income is rebuilt. TCL actively seek new opportunities, funding, and income streams to help diversify income in order to facilitate financial robustness and take up opportunities to further its objects.

Considering, the current reserves position, together with the existing financial performance, forecasts for the future, cash flow forecasts, the main risks facing the organisation and ongoing negotiations with Thurrock Council, the trustees are confident that TCL will continue as a going concern.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Plans for the future

As we continue to dovetail with the Local Authorities 'Active Place' and 'Playing Pitch' strategies. Thurrock Community Leisure will continue to collaborate with Officers and Councillors to help in the delivery of such plans.

The Local Authority are facing huge challenges to cope and adapt to their financial difficulties and as such their attention is focused on their ability to provide statutory services. The working relationship we now have with the Local Authority has significantly improved as a result of the Pandemic which brought both organisations to a common goal. It is pivotal for the benefit of the whole community that this stronger partnership continues to enable Thurrock Community Leisure to support the Council in delivering Leisure and health improvement in a cost-effective manner. The regular Officer meetings with a variety of departments within the Authority will, provide clear two-way communication into the successes and challenges faced by both organisations with a view of working collaboratively to meet the changing physical activity and health inequality demands of the Borough.

Thurrock Community Leisure will continue to review its corporate plan to assess and react to the effects of the cost of living and energy crisis is having on the whole Country this year. This review will seek to identify opportunities and risk that will enhance or hinder business growth.

Forecast Budgets take into consideration the huge national increases in costs for supplies, services, utilities and wages. Leisure activity and attendance trends have started to return to pre-pandemic peaks and troughs enabling historical data to be used for patterns of behaviour. Customer feedback and surveys provide a deep understanding of the business. The forthcoming year is reliant on all sites remaining open which may not to be the case and reforecasting will be undertaken regularly to reflect the current position if this happens. The cash position is sufficiently strong to cope with short closures should they arise without immediate Government support. The industry has mixed reports of return rates to the 2020 operational figures with some budget operators reporting higher than 2020 figures. These rates are not being seen so widespread at Local Authority facilities without investment. Whilst we compare our standing to the pre covid position we must look forward to the challenges and opportunities ahead. We will continue to maximise income streams whilst controlling expenditure closely which is monitored on a daily basis.

The Annual Plan continues to focus heavily on reshaping our digital landscape to mitigate the resourcing challenges and improve the customer experience whilst providing increased consumer knowledge and data. Our strategic alignment with the Local Authority strategies continues in the coming year. The opportunity for partnership working with the voluntary sector and local club and groups has never been more prevalent which again we plan to align common goals with a series of pilots, support and links. Examples include the community garden project, club partnerships with Thurrock Swimming Club and Thurrock Rugby Club, as well as social services support with events like the easter egg and Christmas gift for underprivileged children.. There is still a level of long-term uncertainty that cannot be ignored and therefore the 5-year corporate plan will need to be reviewed in line with the current recovery progress.

TCL's positioning in the marketplace remains strong, despite the increased competition over the recent years. This increase in competition has resulted in difficulty in achieving the remaining 17% of the pre covid figures. The positives from having a sustained period of opening are that exercise habits have returned to normal.

The financial growth is now anticipated to come from both Membership and Swimming Lessons where we continue to see a high demand. Whilst we make inroads to improving our income position, we are still having to cover off the unprecedented increases in staff costs due to NMW increases and salary squeeze affect, utility and supplies cost base increases. As such the budgets for 2023/24 show a negative bottom-line with a clear indication of recovery before year end. We will continue to ensure a tight ship approach to all costs and remain conservative in income growth.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Plans for the future - continued

Although closures have been major factor affecting income in the previous three years, the recovery of income and projections post Covid 19 have had to be tempered by the continued uncertain nature of the economy, mainly related to Covid, Utility crisis, cost of living crisis, increase costs to supplies and services and Brexit resulting in a lack of consumer confidence, increasing public sector austerity (arising from Covid 19). We will implement the membership review with increased prices across the board. We will also introduce a few new memberships targeting students and young children. Customers continue to be supportive of the impacts we have endured and believe these changes are understood and will not affect retention to the detriment of the income projections. Activity prices will also increase to assist in the cost of operating the facilities.

In response to the continued difficulties in recruiting staff we will continue to use and attract Apprentices and train unskilled potential employees improving and extending the associated career development learning programmes to as many staff and local people as possible. This together with the CIMSPA membership and ongoing training will enable more staff to complete the requisite amount of CPD as well as relevant qualifications appropriate to their roles and future progression. This ensures more staff are undertaking relevant training to their career aspirations and the business need, which in turn should improve staff retention and customer service. We also plan to expand the Volunteering opportunities this year with the introduction of the community garden at Belhus Park.

Community Health and Wellbeing

The more opportunity created for people to be physically active increases the positive impact TCL has on Thurrock's 'health and social issues'. Many of these issues have been proven to be improved by exercise. Indeed, Central Government and Public Health England (Physical Activity Framework – Everyone Active Everyday), supported by UK Active, have been consistently raising the profile of the benefits of physical activity, versus the associated costs of inactivity on the National Health Service (NHS). There are potential opportunities within the NHS 10-year plan, some of which focusses on prevention of ill health, part of which includes physical activity in promoting physical and mental health. TCL will work with local health commissioners, social prescribers, and others to develop new programmes to improve community health. These programmes may also include social and cultural related activities. TCL will consider providing these services without the benefit of external support funding.

TCL operate several successful health programmes. In line with Government and Sport England Strategy on increasing physical activity levels, we will expand our programmes to deliver increased physical activity opportunities to more of the community including children and hard to reach groups.

At present TCL are contracted to receive funding from Thurrock Council regarding health referrals for another year. Through work with Active Thurrock, we would hope to expand this work along with a number of other potential community health and wellbeing improvement schemes. As a minimum continue to successfully deliver the existing schemes outlined above.

TCL will look to work with Thurrock Council with links to the new Integrated Medical Centres (IMC) in providing support physical activity sessions to improve and sustain physical and mental health for those attending these facilities.

TCL will work to establish some agreement about how the new Leisure Strategy will be integrated into decision making in future, including establishing our place as the operator of choice within that strategy. Bringing solutions and funding options to the table is a line being pursued at present.

We are actively promoting with partners our concession schemes to increase the reach of those in the target group on low income or asylum seeking. We would expect to see a subsequent increase in numbers by 10% over existing numbers noted at the end of March 2024.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Plans for the future – continued

Main facility related works will centre around the following improvements or investigations including:

Blackshots

The Local Authority will be investing into the following areas as part of their landlord responsibilities.

Replacement of the teaching pool air handling unit

TCL will be:

Completing the replacement of the remaining section of the entrance steps. Replace entrance signage to the building and car parks.

Investigating external signage to the side of the building Turnstile upgrades

Replacing Gym equipment Internal decoration of the gym

Belhus Park

Work with Thurrock Council and others to deliver a 3G full size football pitch and Cricket facilities.

The Local Authority will be investing into the following areas as part of their landlord responsibilities:

Replacement of identified roofs and external repairs

TCL will be;

Replacing some gym equipment

Improvements to the foot golf provision

Civic Hall

Implement the final stage of chair replacement.

Kitchen

Floor replacement costing

Investigate disabled access provision to Green Rooms and stage.

Corringham

The Local Authority will be investing into the following areas as part of their landlord responsibilities.

Replacement of identified roofs and external repairs

TCL will be;

Replacing some gym equipment

Investigating hire handling improvements to circulation areas and reception. Studio graphics and decoration

General

Develop remaining viable LED lighting schemes into a project and seek external funding contributions to the costs. If external funding achieved, implement the schemes.

Explore the implementation of Government funding for sustainable products to reduce the consumption of Local Authority Leisure.

Seek alternative supplier for the payroll system Launch the staff app -Plan Day

CRM systems review due to a number of software product planned to be unsupported

Customer satisfaction scores and QUEST will be maintained at all applicable sites. In addition, as an internationally recognised measure of customer satisfaction we will assess the Net Promoter Score (NPS) on all feedback surveys.

Health and safety management will continue to be a priority, constantly reviewing and developing new policy and procedures making at least 10 safety improvements during the year.

The viability of local expansion, other smaller trusts and other business opportunities will continue to be assessed on a case-by-case basis. Through on-going networking and industry knowledge, TCL will continue to identify business opportunities, or other trusts or organisations that might benefit from collaborative working. In addition, TCL will continue to seek to expand operations in the Southeast keeping in contact with those businesses / authorities / organisations / schools that are changing the way they operate.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Plans for the future – continued

This benefits TCL as overhead costs are reduced, as they are contributed to by additional group members.

TCL will expand the Swimming teacher tuition programme to continue its work on creating a sustainable teacher replacement programme that enable both expansion and continuity to a current oversubscribed holding list for swim lessons.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

TCL is controlled by its governing document, a Memorandum and Articles of Association and is constituted as a limited company, limited by guarantee as defined by the Companies Act 2006. TCL is a registered charity.

Appointment of trustees

TCL is governed by a board of up to 11 trustees. The board of trustees (volunteers) are drawn from all sections of the local community. Once appointed, trustees act in their personal capacity in the best interests of TCL and do not act as representatives of the body that nominated them.

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

- Independent trustees x (up to) 8
- Local Authority elected trustees x 2
- Employee elected trustees x 1

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

Should there be a need to attract new trustees to the board, adverts are placed at the sites and in appropriate social media, CVS, and various partner websites.

The trustees co-opt new members to the board once agreed and they are officially appointed at the next Annual General Meeting. Trustees are selected to provide a broad range of skills to support the business and management. Specific attention and targeting will be focused on underrepresented areas of the board. This under representation can be in the form of skills, knowledge, gender, ethnic background, or disability.

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

Each trustee guarantees to contribute an amount not exceeding £1 to the assets of TCL in the event of winding up. The total number of such guarantees at 31 March 2023 was 8 (2022 - 8).

The trustees have no beneficial interest in TCL. As a charity, TCL is a non-profit distributing organisation. Therefore, trustees do not receive any dividend, as 100% of surpluses must be invested to pursue the charitable objectives of the company.

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

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of trustees – continued

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

Trustee induction and training

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

Once appointed new trustees are inducted by the Managing Director and Company Secretary using the governance manual as a guide. The updated manual is available to Trustees on an ongoing basis in an electronic format, using a shared protected file.

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

The trustees carry out 'spot checks' using internal control procedures and audits developed to cover the main financial and employment risks identified by the organisation. The trustees aim to carry out all of these checks on an annual basis.

Related parties and relationships with other organisations

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

Remuneration policy for key management personnel

TCL has a Remuneration Policy which is a TCL & TCLT Group policy. This policy is posted on the website no more than two clicks away from the home page.

TCL is committed to ensuring a proper balance between paying staff and others who work for it so that only the best people are recruited and retained.

Whilst TCL remuneration is generally competitive within the leisure industry, it does not compete on pay with other industries. Leisure remains a low pay industry

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

All posts meet the minimum requirements in respect of the National Minimum Wage, which is reviewed and amended where required in April each year. All employees (except apprentices) working for TCL will be paid £9.50 with effect from 1st April 2022 an increase of 6.6%, this is regardless of age. This created a salary squeeze which was addressed in April 22 increases a number of affected pay grades.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Remuneration policy for key management personnel - continued

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

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

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

The considerations will begin with an assumption that salaries should be adjusted to match inflation (specifically the Consumer Price Index) over the preceding 12-months. Further consideration will then determine whether this is appropriate in the context of: -

- i. TCL's financial situation – can it afford the CPI linked increase and is it sustainable?
- ii. TCL's performance – have KPIs been met?
- iii. Previous pay awards made in recent years
- iv. Pay reviews elsewhere – how might a failure to follow wider trends be perceived amongst staff, within peer organisations
- v. Overall affordability and sustainability – can TCL realistically afford it now and can it sustain it moving forwards?
- vi. TCL's ability to attract and retain suitable staff in sufficient numbers to deliver a consistent service level.

Based on the above, the management team will make a recommendation to the trustees to approve any annual pay award/budget. If approved, annual pay awards will normally be applied in April of the new financial year.

The Managing Director has the responsibility to make any ad hoc decisions regarding salary changes for any position/post holder. Any decision/s regarding the salary of the Managing Director and senior managers will in future be made by the TCL trustees. The Senior Management Team does not have delegated authority in matters relating to their own remuneration, and any recommendations or decisions must be ratified by the trustees prior to implementation

By nature of previous arrangements (TUPE transfers), some staff have previously opted to join the Local Government Pension Scheme (LGPS) in accordance with the respective Admission Agreement with Essex County Council. The TCL LGPS scheme is currently closed to new members as dictated by the Admission Agreement.

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

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

Private Health Care – is a company and employee benefit for senior management and key personnel, to ensure that any ill-health is treated promptly, enabling the individual to continue/return to work with minimum absence. All private health care is declared on a P11D and subject to tax in accordance with HMRC guidelines.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Remuneration policy for key management personnel - continued

Use of Facilities by Employees - In order to promote health, fitness and wellbeing, employees may use the facilities free of charge, provided a paying member of the public is not prohibited from use because of an employee taking up space. TCL apply a long service recognition scheme within which staff are rewarded for continuous service at 5, 10, 20, 30 and 40 years. The scheme is designed to reward long service and is for gifts at various values depending on the milestone reached. The scheme follows the guidance issued by HMRC on the values of the awards.

TCL/TCLT trustees are not paid for their work as a trustee.

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

Diversity

The board's approach to diversity supports its effectiveness and leadership, as such TCL wholeheartedly supports the principle of equal opportunities and diversity in employment and service provision and opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, nationality, ethnic or national origin, religion/belief, unrelated criminal convictions, gender, gender re-assignment, sexual orientation, marital status/civil partnership, age, or disability.

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

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

TCL aims to have trustees and staff from different backgrounds, abilities, cultures, and genders as the inherent diversity of life experience is more likely to encourage debate, resulting in better decision making. The aim is that the workforce and Board reflect the community it serves.

The Board and staff undertake equal opportunity and diversity training.

Policy for employment of disabled persons

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

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

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

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Employee information

Employees are provided with information in a number of ways including, general electronic communication to personal email addresses, staff notice boards, staff newsletters, staff forums (2 times per annum per site), team briefings, staff satisfaction survey (once per annum) and one to one meetings where appropriate. These communications are used to provide employees with relevant information on matters of concern to them, common awareness of the financial and economic factors affecting TCL's performance and seek the employees' views about the business and how it might be improved.

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

Modern Slavery Act 2015

By virtue of its size TCL is not required to comply with all of the duties within the Act. However, TCL takes steps to prevent modern slavery and human trafficking in its business in accordance with the Act. TCL publishes its policy regarding modern slavery on its website.

FUNDRAISING

The TCL Group do not use professional fundraisers to raise funds. All of the income is derived from the main functions including, sales for facility use/hire, secondary spending, and grants for specified programmes. Occasionally TCL receive donations through online fundraising platforms, although at presents this a very minor source of income.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF TRUSTEES RESPONSIBILITIES - continued

In so far as the trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 26/1/23 and signed on the board's behalf by:


.....
Tunde Ojetola (Chair)

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

Opinion

We have audited the financial statements of Thurrock Community Leisure Limited Group for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the group and charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Charitable Company through discussions with trustees and our experience of the sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and Charitable Company, including, but not limited to, the Companies Act (2006), UK tax legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

We assessed the susceptibility of the Group's and Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations in each section.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

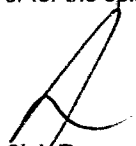
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator where relevant.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees' and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of Our Report

This report is made solely to the group and 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 group and 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 group and charitable company and the group and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Clair Rayner FCA DChA (Senior Statutory Auditor)

for and on behalf of McCabe Ford Williams

Statutory Auditors and Chartered Accountants

Bank Chambers

1 Central Avenue

Sittingbourne

Kent

ME10 4AE

Date: ... 06.19.23.

THURROCK COMMUNITY LEISURE LIMITED GROUP

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

		31.03.23			31.03.22		
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
INCOME							
Donation Income	2	-	-	-	-	51,429	51,429
Charitable activities							
Leisure Centres	3	4,492,494	180,497	4,672,991	3,785,541	426,185	4,211,726
Civic Hall	3	393,028	-	393,028	79,098	-	79,098
Office and Cottage Rent	3	25,740	-	25,740	26,090	-	26,090
Other trading activities	4	152,358	-	152,358	131,777	-	131,777
Investments	5	12,116	-	12,116	302	-	302
Total income		5,075,736	180,497	5,256,233	4,022,808	477,614	4,500,422
EXPENDITURE							
Raising funds	7	8,671	-	8,671	80,460	-	80,460
Charitable activities							
Leisure Centres	7	4,598,583	183,995	4,782,578	2,966,281	966,525	3,932,806
Civic Hall	7	362,738	-	362,738	263,182	-	263,182
Office and Cottage Rent	7	8,671	-	8,671	12,156	-	12,156
Trading activities	6	351,656	-	351,656	296,943	-	296,943
Total resources expended		5,330,319	183,995	5,514,314	3,619,022	966,525	4,585,547
Net income/(expenditure) for the year before other recognised gains and losses		(254,583)	(3,498)	(258,081)	403,786	(488,911)	(85,125)
Transfers between funds	20			-	68,461	(68,461)	-
Actuarial gains/(losses) on defined benefit pension scheme	21	2,871,000	-	2,871,000	1,056,000	-	1,056,000
Net movement in funds		2,616,417	(3,498)	2,612,919	1,528,247	(557,372)	970,875
RECONCILIATION OF FUNDS							
Total funds brought forward	20	2,056,610	3,498	2,060,108	528,363	560,870	1,089,233
TOTAL FUNDS CARRIED FORWARD	20	4,673,027	-	4,673,027	2,056,610	3,498	2,060,108

CONTINUING OPERATIONS

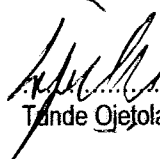
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

BALANCE SHEETS
AT 31 MARCH 2023

	Note	The Group		The Charitable Company	
		31.03.23	31.03.22	31.03.23	31.03.22
		£	£	£	£
FIXED ASSETS					
Tangible assets	11	1,889,869	2,103,027	1,874,825	2,077,495
Investments	12	-	-	10,000	10,000
		<u>1,889,869</u>	<u>2,103,027</u>	<u>1,884,825</u>	<u>2,087,495</u>
CURRENT ASSETS					
Stocks	14	54,831	54,559	48,994	49,839
Debtors	15	140,430	87,504	170,935	175,086
Investments	16	560,752	160,000	560,752	160,000
Short term deposits		200,000	732,766	200,000	732,766
Cash at bank and in hand		<u>221,939</u>	<u>263,928</u>	<u>200,618</u>	<u>161,848</u>
		1,177,952	1,298,757	1,181,299	1,279,539
CREDITORS					
Amounts due <1 year	17	<u>(730,175)</u>	<u>(773,199)</u>	<u>(732,283)</u>	<u>(746,384)</u>
NET CURRENT ASSETS		<u>447,777</u>	<u>525,558</u>	<u>449,016</u>	<u>533,155</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,337,646	2,628,585	2,333,841	2,620,650
CREDITORS					
Amounts due >1 year	18	<u>(332,619)</u>	<u>(436,477)</u>	<u>(320,884)</u>	<u>(430,610)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>2,015,027</u>	<u>2,192,108</u>	<u>2,012,957</u>	<u>2,190,040</u>
PENSION ASSET / (LIABILITY)	22	2,658,000	(132,000)	2,658,000	(132,000)
TOTAL NET ASSETS		<u>4,673,027</u>	<u>2,060,108</u>	<u>4,670,957</u>	<u>2,058,040</u>
FUNDS	21				
Restricted funds		-	3,498	-	3,498
Unrestricted funds:					
Designated funds		-	-	-	-
General funds		2,015,027	2,188,610	2,012,957	2,186,542
Non charitable trading funds		-	-	-	-
Pension reserve		<u>2,658,000</u>	<u>(132,000)</u>	<u>2,658,000</u>	<u>(132,000)</u>
Total unrestricted funds		<u>4,673,027</u>	<u>2,056,610</u>	<u>4,670,957</u>	<u>2,054,542</u>
TOTAL FUNDS		<u>4,673,027</u>	<u>2,060,108</u>	<u>4,670,957</u>	<u>2,058,040</u>

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


Tunde Ojetola (Chair)

The notes form part of these financial statements

THURROCK COMMUNITY LEISURE LIMITED GROUP**CONSOLIDATED CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.03.23 £	31.03.22 £
Cash flows from operating activities	1	<u>(87,823)</u>	<u>723,594</u>
Cash flows from investing activities			
Dividends, interest and rent from investments		12,116	302
Purchase of investment		(400,752)	(160,000)
Purchase of tangible fixed assets (Including HP)		-	(86,523)
Cash used on investing activities		<u>(388,636)</u>	<u>(246,221)</u>
Cash flows from financing activities			
Repayment of borrowing including HP		(98,296)	(87,194)
Cash used in financing activities		<u>(98,296)</u>	<u>(87,194)</u>
Increase / (decrease) in cash and cash equivalents in the year		(574,755)	390,179
Cash and cash equivalents at the beginning of the year	2	996,694	606,515
Total cash and cash equivalents at the end of the year	2	<u><u>421,939</u></u>	<u><u>996,694</u></u>

The notes form part of these financial statements

THURROCK COMMUNITY LEISURE LIMITED GROUP

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

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

	31.03.23	31.03.22
	£	£
Net incoming resources before other recognised gains and losses	(258,081)	(85,125)
Depreciation charges	213,158	226,291
Actuarial pension scheme charges	81,000	123,000
Dividends, interest and rent from investments	(12,116)	(302)
(Increase) / decrease in stocks	(272)	(13,188)
(Increase) / decrease in debtors	(52,926)	647,343
Increase / (decrease) in creditors	(58,586)	(174,425)
Net cash inflow from operating activities	(87,823)	723,594

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.03.23	31.03.22
	£	£
Short term deposits	200,000	732,766
Cash at bank and in hand	221,939	263,928
Total cash and cash equivalents	421,939	996,694

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash Flow	At 31.3.23
Net Cash			
Cash at bank	996,694	(574,755)	421,939
Debt			
Finance Leases	(61,591)	35,996	(25,595)
Debts falling due within one year	(119,007)	(2,352)	(121,359)
Debts falling due after one year	(387,271)	64,652	(322,619)
Total	428,825	(476,459)	(47,634)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the group and charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary TCL Trading Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes to the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of Companies Act 2006.

The presentational currency of the financial statements is the Pound Sterling (£). Amounts included in the financial statements are rounded to the nearest Pound Sterling (£). The charity is an incorporated private company limited by guarantee without share capital and is registered with Companies House and Charity Commission. The charitable company's registered office and place of business are listed on Reference and Administrative Details page.

Going concern

The outbreak of war in Ukraine at the beginning of 2022 has resulted in a global cost of living crisis with prices increasing around the world. The resulting impact of this crisis on the operations of the Charitable Company and its subsidiary will likely have a negative effect on the results in the next few financial years. Utility costs are rising at extremely high rates and as a business that consumes significant amounts of energy this may have an impact upon trading results. The expected increase in utility costs are likely to continue increasing into 2024.

The currently known impacts of the cost of living and utilities crisis on the Charitable Company and subsidiary are:

Thurrock Community Leisure

- Higher utility costs
- Less disposable income impacting membership and secondary spend income
- Supply chain issues leading to increased maintenance costs
- Rising wage costs with competition from companies such as Amazon

TCL Trading Limited

- Less disposable income impacting sales
- Supply chain issues leading to increased maintenance costs
- Rising wage costs with competition from companies such as Amazon

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES – continued

Going concern - continued

As a group we have taken and continue to work on our sustainability as follows:

Thurrock Community Leisure

- Work with energy brokers to secure best price contracts for utilities, whilst reviewing and improving processes to help reduce consumption.
- Monitor, review and implement utility reductions in consumption through improved housekeeping, energy interventions, reduced timetables, reduced temperatures and staff/customer education.
- Work closely with agencies to promote benefits both in physical health and mental wellbeing to secure health funding.
- Seek additional income streams.
- Attract capital-funding pots to improve or create new activities, services and energy interventions.
- Funding continue to monitor the industry Government lobbying success by UK Active and Community Leisure UK.
- Look at IT resources to help with processes to help staff concentrate on income growth.
- Promote staff through additional support and training.
- Seek alternative supplier and work with purchasing groups via Community Leisure UK.

TCL Trading Limited

- Seek additional income streams.
- Monitor, review and implement utility reductions in consumption through improved housekeeping, energy interventions, reduced timetables, reduced temperatures and staff/customer education.
- Promote health benefits.
- Find suppliers who provide good service and best value.

The board are confident that despite the challenges being faced at the back end of last year and through this year that the management Team are focused on not only managing the current situation but planning for the future sustainability of the organisation.

The immediate issues surrounding utilities are a global issue and not localised to just TCL and thus Government support via the Energy Bill Relief Scheme has been announced that will limit the financial risk. The forthcoming budgets have managed to absorb a significant increase and therefore the Board believe with the control measures in place and proposes to limit and in some cases reduce the consumption and usage this will further help the Bottom line.

Consumer spending will inevitably be affected despite the Government support, but we continue to position physical activity not as a desirable but as an essential which cannot be reduced/removed during tough times. This message was loud and clear during the Pandemic and the maintained levels of membership support this.

We are positioned as a lead provider of health interventions and as such expect the decline in community health due to long NHS waiting times will create funding opportunities which we expect to meet and deliver. In addition, we have trained further employees to deliver funded health checks and expect this part of the business to grow at a pace.

We continue to work with the Local authority on capital asset improvements around the mechanical and electrical plant and building fabric, which will continue to improve business and energy efficiency, reduce downtime and improve the customer experience. We will also explore and implement a series of funding bids to create new activity and income streams to meet demands in football, over 50's activity and toddler sessions.

The industry focus on funded training, retraining support will enable us to qualify more Swim teachers this year, which will result in our ability to meet a significant latent demand for swimming lessons.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES – continued

Going concern - continued

Software enhancements will significantly improve the efficiency of business processes creating time for key personnel to focus on this opportunities without the need of further resource.

A Management and staff structure review will also create greater focus in the new areas of the business that need the attention for growth to happen and again this is expected to be achieved with the current financial budget.

For the reasons above the Board are assured that TCL are a going concern for the foreseeable future and are positive about the role Leisure will play in supporting the improvement in public health.

Income

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

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

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

Interest receivable

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

Grants receivable

Grants receivable in respect of a specified period relating to the general activities of the charitable company are recognised in the Statement of Financial Activities in the period in which they become receivable. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use

Government grants

Government grants are recognised when it is reasonably certain that the conditions attached to the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES – continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

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

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

Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to the activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following bases which are an estimate, based on staff time, of the amount attributable to each activity.

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

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

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

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

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £30,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES – continued

Investment in subsidiary

Investment in the subsidiary is stated at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. In general, cost is determined on a first in first out basis and includes transport and handling costs.

Taxation

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

Fund accounting

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

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

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

Hire purchase and leasing commitments

Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charge. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

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

Pension costs and other post-retirement benefits

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES – continued

Financial instruments

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

a) Trade and other debtors

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

b) Cash and cash equivalents

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

c) Impairment of financial assets

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

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

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

d) Trade and other creditors

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES – continued

Impairment of non-financial assets

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023****2. DONATION INCOME**

	Unrestricted	Restricted	31.03.23 Total	31.03.22 Total
	£	£	£	£
Donation Income	-	-	-	51,429

The Group received £nil (2022: £51,429) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS).

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	31.03.23 Total	31.03.22 Total
	£	£	£	£
Funding income	-	-	-	236,368
Leisure centres income	4,492,494	180,497	4,672,991	3,975,358
Sub-total for leisure centres	4,492,494	180,497	4,672,991	4,211,726
Civic Hall income	393,028	-	393,028	79,098
Sub-total for Civic Hall	393,028	-	393,028	79,098
Office and cottage rent	25,740		25,740	26,090
Total income from charitable activities	4,911,262	180,497	5,091,759	4,316,914

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted	Restricted	31.03.23 Total	31.03.22 Total
	£	£	£	£
Golf club, shop and bar	152,358	-	152,358	131,777
	152,358	-	152,358	131,777

5. INCOME FROM INVESTMENTS

	Unrestricted	Restricted	31.03.23 Total	31.03.22 Total
	£	£	£	£
Solar panel investment income	-	-	-	-
Interest receivable	12,116	-	12,116	302
	12,116	-	12,116	302

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

6. TRADING ACTIVITY COSTS

	Unrestricted	Restricted	31.03.23 Total	31.03.22 Total
	£	£	£	£
Staff costs	183,820	-	183,820	160,369
Other trading costs	167,836	-	167,836	136,574
	<u>351,656</u>	<u>-</u>	<u>351,656</u>	<u>296,943</u>

7. ANALYSIS OF EXPENDITURE

	Cost of raising funds	Charitable activities			Governance costs	Support Costs	31.03.23 Total	31.03.22 Total
	£	Leisure centres £	Civic hall £	Office and cottage rent £	£	£	£	£
Staff costs	-	1,891,952	102,247	-	-	511,986	2,506,185	2,255,282
Promotion and publicity	-	92,310	45,154	-	-	-	137,464	68,304
Premises costs	-	1,192,567	44,646	-	-	202,670	1,439,883	1,054,085
Purchases for resale	-	162,352	56,991	-	-	-	219,343	226,912
Office administration costs	-	151,003	17,922	-	-	632,594	801,519	657,056
Audit and accountancy	-	-	-	-	21,944	-	21,944	8,814
Legal and professional	-	-	-	-	-	36,320	36,320	18,151
	-	3,490,184	266,960	-	21,944	1,383,570	5,162,658	4,288,604
Support costs	8,452	1,272,644	94,022	8,452	-	(1,383,570)		
Governance costs	219	19,750	1,756	219	(21,944)	-		
Total expenditure 2023	<u>8,671</u>	<u>4,782,578</u>	<u>362,738</u>	<u>8,671</u>	<u>-</u>	<u>-</u>	<u>5,194,738</u>	
Total expenditure 2022	<u>80,460</u>	<u>3,932,806</u>	<u>263,182</u>	<u>12,156</u>	<u>-</u>	<u>-</u>		<u>4,288,604</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

8. NET INCOME/(EXPENDITURE)

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

	31.03.23	31.03.22
	£	£
Depreciation	213,158	226,291
Interest payable	38,014	989
Operating lease rentals	21,019	5,519
Auditors' remuneration		
- Audit fee (parent)	11,085	8,314
- Other services (parent)	615	500
- Audit fee (subsidiary)	4,320	3,592
- Other services	300	250
	<u>16,320</u>	<u>12,656</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

Trustees only receive remuneration in respect of the services they provide undertaking the roles of staff and not in respect of their services as Trustees. The value of Trustees' remuneration was £35,591 (2022: £nil).

Juan Rangel is an employee trustee, as allowed under the charity's articles of association. He received total remuneration (Gross pay, employer pension contributions and employer national insurance contributions) of £35,591 for his role as a site manager. Of this, £940 relates to pension contributions paid by the charity.

Trustees' expenses

There were no payments or reimbursements of travel and subsistence costs paid in the year ended 2023 or 2022.

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 MARCH 2023**10. STAFF COSTS**

	31.03.23	31.03.22
	£	£
Wages and salaries	2,287,945	2,018,072
Social security costs	152,458	130,103
Employer's contribution to defined contribution pension schemes	143,602	144,476
Employer's contribution to defined benefit pension schemes	99,000	98,000
Operating cost of defined benefit pension schemes	7,000	25,000
	<u>2,690,005</u>	<u>2,415,651</u>

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

	31.03.23	31.03.22
Leisure centres	133	130
Civic hall	12	2
Other trading activities	9	5
SMT	4	4
Support	6	6
	<u>164</u>	<u>147</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.03.23	31.03.22
£60,001 - £70,000	2	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	-
£100,000 - £110,000	-	-
£110,000 - £120,000	-	-
	<u>3</u>	<u>4</u>

The total employee benefits including pension contributions of the key management personnel was £325,014 (2022: £303,210).

A tribunal complaint made during the year was settled after the year end under a compromise agreement. The value of the compromise agreement was £9,000. An accrual has not been recognised for this.

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

11. TANGIBLE FIXED ASSETS

The Group	Improvements to leasehold property £	Plant and machinery £	Totals £
COST			
At 1 April 2022	4,780,003	988,280	5,768,283
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	<u>4,780,003</u>	<u>988,280</u>	<u>5,768,283</u>
DEPRECIATION			
At 1 April 2022	2,733,619	931,637	3,665,256
Charge for year	174,468	38,690	213,158
Disposal	-	-	-
At 31 March 2023	<u>2,908,087</u>	<u>970,327</u>	<u>3,878,414</u>
NET BOOK VALUE			
At 31 March 2023	<u>1,871,916</u>	<u>17,953</u>	<u>1,889,869</u>
At 31 March 2022	<u>2,046,384</u>	<u>56,643</u>	<u>2,103,027</u>

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

The Group	Plant and machinery £
COST	
At 1 April 2022	189,020
Additions	-
Transfer to ownership	<u>(7,080)</u>
At 31 March 2023	<u>181,940</u>
DEPRECIATION	
At 1 April 2022	132,377
Charge for year	38,690
Transfer to ownership	<u>(7,080)</u>
At 31 March 2023	<u>163,987</u>
NET BOOK VALUE	
At 31 March 2023	<u>17,953</u>
At 31 March 2022	<u>56,643</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

11. TANGIBLE FIXED ASSETS – continued

The Charitable Company	Improvements to leasehold property £	Plant and Machinery £	Totals £
COST			
At 1 April 2022	4,633,886	860,189	5,494,075
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	<u>4,633,886</u>	<u>860,189</u>	<u>5,494,075</u>
DEPRECIATION			
At 1 April 2022	2,601,648	814,932	3,416,580
Charge for year	171,023	31,647	202,670
Disposals	-	-	-
At 31 March 2023	<u>2,772,671</u>	<u>846,579</u>	<u>3,619,250</u>
NET BOOK VALUE			
At 31 March 2023	<u>1,861,215</u>	<u>13,610</u>	<u>1,874,825</u>
At 31 March 2022	<u>2,032,238</u>	<u>45,257</u>	<u>2,077,495</u>

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

The Charitable Company	Plant and machinery £
COST	
At 1 April 2022	163,323
Additions	-
Transfer to ownership	-
At 31 March 2023	<u>163,323</u>
DEPRECIATION	
At 1 April 2022	118,066
Charge for year	31,647
Transfer to ownership	-
At 31 March 2023	<u>149,712</u>
NET BOOK VALUE	
At 31 March 2023	<u>13,610</u>
At 31 March 2022	<u>45,257</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023****12. FIXED ASSET INVESTMENTS – continued**

The Charitable Company	Shares in group undertakings £	Totals £
COST		
At 1 April 2022	10,000	10,000
Disposals	-	-
At 31 March 2023	10,000	10,000
AMORTISATION		
At 1 April 2022	-	-
Eliminated on disposal	-	-
At 31 March 2023	-	-
NET BOOK VALUE		
At 31 March 2023	10,000	10,000
At 31 March 2022	10,000	10,000

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023****12. FIXED ASSET INVESTMENTS – continued**

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

Subsidiary**TCL Trading Limited**

Nature of business: Golf shop, bar, catering, maintenance services

	%
Class of share:	holding
Ordinary share capital	100

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

	31.03.23	31.03.22
	£	£
Turnover	402,626	379,646
Cost of sales	(107,304)	(84,633)
Gross profit	295,322	295,013
Administrative expenses	(262,607)	(222,310)
Operating profit / (loss)	32,715	72,703
Other income	-	-
Interest payable	-	-
Profit / (loss) on ordinary activities	32,715	72,703
Deed of covenant to parent undertaking	(32,715)	(72,703)
Profit / (loss) for the financial year	-	-

The aggregate of the assets, liabilities and funds was:

Assets	44,806	135,986
Liabilities	(32,739)	(123,919)
Share Capital	(10,000)	(10,000)
Funds	2,067	2,067

13. PARENT CHARITABLE COMPANY

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

	31.03.23	31.03.22
	£	£
Gross income	5,103,475	4,451,348
Net result for the year	209,797	970,875

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

14. STOCKS

	The group		The charitable company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Stocks	<u>54,831</u>	<u>54,559</u>	<u>48,994</u>	<u>49,839</u>

15. DEBTORS

	The group		The charitable company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
<i>Amounts falling due within one year:</i>				
Other debtors	3,528	-	1,530	-
Trade debtors	73,742	47,671	73,740	47,200
Amounts due from other group members	-	-	32,715	88,328
Prepayments and accrued income	63,160	39,833	62,950	39,558
Taxation	-	-	-	-
	<u>140,430</u>	<u>87,504</u>	<u>170,935</u>	<u>175,086</u>

16. CURRENT ASSET INVESTMENTS

	The group		The charitable company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
<i>Analysis of current asset investments:</i>				
Cash or cash equivalents	<u>560,752</u>	<u>160,000</u>	<u>560,752</u>	<u>160,000</u>
	<u>560,752</u>	<u>160,000</u>	<u>560,752</u>	<u>160,000</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The charitable company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Trade creditors	215,181	258,801	199,893	258,511
Loans	121,359	92,418	121,359	92,418
Accruals and deferred income	303,171	287,536	291,558	266,744
VAT payable	9,375	8,531	9,243	9,628
Lease liability	25,595	38,974	21,623	32,644
Social Security and other taxes	33,116	66,054	33,116	66,054
Other creditors	22,378	20,885	22,378	20,385
Amounts due to other group members	-	-	33,113	-
	<u>730,175</u>	<u>773,199</u>	<u>732,283</u>	<u>746,384</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023****18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	The group		The charitable company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Lease liabilities due 2 – 5 years	1,735	22,617	-	16,750
Loan liabilities due 2 – 5 years	<u>320,884</u>	<u>413,860</u>	<u>320,884</u>	<u>413,860</u>
	<u>322,619</u>	<u>436,477</u>	<u>320,884</u>	<u>430,610</u>

The charity have a charge with National Westminster Bank PLC which is secured on the charity's assets and commenced in June 2002. The charge is specifically for the Direct Debit membership collections, in the eventuality members request money back.

The charity also have a second charge in respect of a loan with Social Investment Business FM Limited which is secured on the charity's assets and commenced in March 2021. The loan is repayable over 5 years in instalments. Interest is chargeable at 9% in year 1, and 7% in subsequent years.

19. OPERATING LEASE COMMITMENTS

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

Equipment	31.03.23	31.03.22
	£	£
Within one year	7,581	3,241
Between one and five years	<u>8,360</u>	<u>1,573</u>
	<u>15,941</u>	<u>4,814</u>
Rent	31.03.23	31.03.22
	£	£
Within one year	54,250	-
Between one and five years	<u>316,458</u>	<u>-</u>
	<u>370,708</u>	<u>-</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

19. OPERATING LEASE COMMITMENTS – continued

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

Equipment	31.03.23	31.03.22
	£	£
Within one year	7,581	3,241
Between one and five years	8,360	1,573
	<u>15,941</u>	<u>4,814</u>
Rent	31.03.23	31.03.22
	£	£
Within one year	54,250	-
Between one and five years	316,458	-
	<u>370,708</u>	<u>-</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.03.23 Total funds	31.03.22 Total funds
	£	£	£	£
Fixed assets	1,889,869	-	1,889,869	2,103,027
Investments	560,752	-	560,752	160,000
Current assets	617,200	-	617,200	1,138,757
Current liabilities	(730,175)	-	(730,175)	(773,199)
Long term liabilities	(322,619)	-	(322,619)	(436,477)
Pension asset / (liability)	2,658,000	-	2,658,000	(132,000)
	<u>4,673,027</u>	<u>-</u>	<u>4,673,027</u>	<u>2,060,108</u>

Analysis of net assets between funds – previous year

	Unrestricted funds	Restricted funds	31.03.22 Total funds	31.03.21 Total funds
	£	£	£	£
Fixed assets	2,103,027	-	2,103,027	2,242,797
Investments	160,000	-	160,000	-
Current assets	1,135,259	3,498	1,138,757	1,382,733
Current liabilities	(773,199)	-	(773,199)	(901,390)
Long term liabilities	(436,477)	-	(436,477)	(569,906)
Pension asset / (liability)	(132,000)	-	(132,000)	(1,065,000)
	<u>2,056,610</u>	<u>3,498</u>	<u>2,060,108</u>	<u>1,089,234</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

21. MOVEMENT IN FUNDS

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers and gains £	At the end of the year £
Restricted funds:					
Leisure Centre	3,498	180,497	(183,995)	-	-
Total restricted funds	3,498	180,497	(183,995)	-	-
Unrestricted funds:					
Designated funds	-	-	-	-	-
General funds of TCL	2,186,542	4,922,978	(4,931,492)	(165,069)	2,012,959
General funds of TCL Trading	2,068	184,838	(349,907)	165,069	2,068
Total general funds	2,188,610	5,107,816	(5,281,399)	-	2,015,027
Pension fund	(132,000)	-	(81,000)	2,871,000	2,658,000
Total unrestricted funds	2,056,610	5,107,816	(5,362,399)	2,871,000	4,673,027
Total funds including pension fund	2,060,108	5,288,313	(5,546,394)	2,871,000	4,673,027

Purposes of designated funds

The pension fund covers the actuarial valuation of the pension scheme

Movement in Funds – Previous year

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers and gains £	At the end of the year £
Restricted funds:					
Leisure Centre	560,870	477,614	(966,525)	(68,461)	3,498
Total restricted funds	560,870	477,614	(966,525)	(68,461)	3,498
Unrestricted funds:					
Designated funds	-	-	-	-	-
General funds of TCL	1,591,295	4,048,031	(3,356,079)	(96,705)	2,186,542
General funds of TCL Trading	2,068	131,777	(296,943)	165,166	2,068
Total general funds	1,593,363	4,179,808	(3,653,022)	68,461	2,188,610
Pension fund	(1,065,000)	-	(123,000)	1,056,000	(132,000)
Total unrestricted funds	528,363	4,179,808	(3,776,022)	1,124,461	2,056,610
Total funds including pension fund	1,089,233	4,657,422	(4,742,547)	1,056,000	2,060,108

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023****21. MOVEMENT IN FUNDS – continued****Transfer of funds**

A transfer of £nil has been made from restricted to unrestricted funds for the reallocation of assets purchased via restricted funds which are being used in the unrestricted element of the trade.

Purposes of restricted funds

Restricted funds of £nil have been carried forward this year.

Purposes of designated funds

The pension fund covers the actuarial valuation of the pension scheme.

22. EMPLOYEE BENEFIT OBLIGATIONS

Employees of Thurrock Community Leisure are admitted to the Essex County Council Pension Fund, a defined benefit scheme which is administered by Essex County Council under the regulations governing the Local Government Pension Scheme. The deficit on the pension scheme does not represent a liability that will crystallise at any single point in time. The calculation can also be very sensitive to the actuarial assumptions used in valuing the scheme. The figures disclosed below have been derived by approximate methods from the last full actuarial valuation of the fund carried out by Mercer Human Resource Consulting Ltd as at 31 March 2016.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.03.23	31.03.22
	£	£
Present value of funded obligations	(4,056,000)	(8,758,000)
Fair value of plan assets	<u>6,714,000</u>	<u>8,626,000</u>
	<u>2,658,000</u>	<u>(132,000)</u>
Surplus / (Deficit)	<u>2,658,000</u>	<u>(132,000)</u>
Asset / (Liability)	<u>2,658,000</u>	<u>(132,000)</u>

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

	Defined benefit pension plans	
	31.03.23	31.03.22
	£	£
Current service cost	173,000	195,000
Net interest from net defined benefit asset/liability	2,000	21,000
Administration expenses	<u>5,000</u>	<u>4,000</u>
Actual return on plan assets	<u>180,000</u>	<u>220,000</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 MARCH 2023**22. EMPLOYEE BENEFIT OBLIGATIONS – continued**

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

	Defined benefit pension plans	
	31.03.23	31.03.22
	£	£
Opening defined benefit obligation	8,758,000	9,084,000
Current service cost	173,000	195,000
Past service cost	-	-
Contributions by scheme participants	31,000	30,000
Interest cost	226,000	184,000
Liabilities assumed (extinguished) on settlements	-	-
Actuarial losses/(gains)	(4,845,000)	(466,000)
Change in demographic assumptions	(147,000)	-
Benefits paid	<u>(140,000)</u>	<u>(269,000)</u>
	<u>4,056,000</u>	<u>8,758,000</u>

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

	Defined benefit pension plans	
	31.03.23	31.03.22
	£	£
Opening fair value of scheme assets	8,626,000	8,019,000
Interest on assets	224,000	163,000
Administration expenses	(5,000)	(4,000)
Contributions by employer	99,000	97,000
Contributions by scheme participants	31,000	30,000
Expected return	(194,000)	590,000
Other actuarial gains/(losses)	(1,927,000)	-
Benefits paid	<u>(140,000)</u>	<u>(269,000)</u>
	<u>6,714,000</u>	<u>8,626,000</u>

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

	Defined benefit pension plans	
	31.03.23	31.03.22
	£	£
Actuarial gains/(losses) from changes in demographic assumptions	147,000	-
Actuarial gains/(losses)	<u>4,845,000</u>	<u>466,000</u>
	<u>4,992,000</u>	<u>466,000</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

22. EMPLOYEE BENEFIT OBLIGATIONS – continued

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

	Defined benefit pension plans	
	31.03.23	31.03.22
Equities	58%	60%
Gilts	1%	2%
Other bonds	0%	4%
Property	8%	8%
Cash	3%	3%
Other managed funds	14%	10%
Alternative assets	16%	12%
Asset breakdown	31.03.23	31.03.22
	£000s	£000s
Equities	3,868	5,179
Gilts	98	206
Other bonds	-	378
Property	550	707
Cash	216	219
Other managed funds	919	871
Alternative assets	1,063	1,066
	6,714	8,626

Projected employer contributions for the year ending 31 March 2024 are £105,000.

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

	31.3.23	31.3.22
Discount rate	4.80%	2.60%
Future salary increases	4.00%	2.00%
Future pension increases	2.90%	3.15%

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

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	3,980,000	4,056,000	4,134,000
Projected service cost	83,000	85,000	87,000
	+0.1%	0.0%	-0.1%
Adjustment to long term salary increase			
Present value of total obligation	4,065,000	4,056,000	4,047,000
Projected service cost	85,000	85,000	85,000
	+0.1%	0.0%	-0.1%
Adjustment to pension increases and deferred revaluation			
Present value of total obligation	4,126,000	4,056,000	3,998,000
Projected service cost	87,000	85,000	83,000
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	4,188,000	4,056,000	3,928,000
Projected service cost	88,000	85,000	82,000

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023

23. ULTIMATE PARENT COMPANY

The ultimate parent company as at 31 March 2023 is Thurrock Community Leisure Limited, company registration number 03782811. The parent exercised control through its right to appoint or remove a majority of the board of trustees of the charitable company.

24. RELATED PARTY TRANSACTIONS

Thurrock Community Leisure Limited (TCL) owns 100% shares of TCL Trading Ltd (TCLT). During the year following transactions occurred between the group companies:

TCLT:

During the year, TCL paid commission of £32,080 (2022: £30,077) and management charges of £217,788 (2022: £217,792) to TCLT for management of the golf club and shop. TCL charged a management fee of £20,004 to TCLT (2022: £10,000).

TCLT gift aided £32,715 (2022: £72,703) to TCL.

At the year end, TCLT owed £32,715 (2022: £88,328) to TCL. TCL owed £33,113 (2022: £nil) to TCLT.

Trustees' remuneration and expenses are disclosed in note 9.

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

25. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.