

REGISTERED COMPANY NUMBER: 04492639 (England and Wales)
REGISTERED CHARITABLE COMPANY NUMBER: 1099125

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

McCabe Ford Williams
Registered Auditors
Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
Kent
ME10 4AE

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 MARCH 2021

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LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees who are also directors of the charitable company for the purposes of the Companies Act 2006, present their report with the financial statements of the group for the year ended 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04492639 (England and Wales)

Registered Charity number

1099125

Registered office

North Dane Way
Lordswood
CHATHAM
ME5 8YE

Trustees

M G Rider
A Delaney
S J Grimwade
R W Hills
E P A Turcan
R V Attwood
S L Mannering

Finance Director
Chairman
Operations Director

Senior Leadership Team

M G Rider
S J Grimwade
R V Attwood
M L Campbell-Carr

Company Secretary

M G Rider

Auditors

Ashley Phillips FCCA (Senior Statutory Auditor)
Statutory Auditors and
Chartered Accountants
McCabe Ford Williams
Bank Chambers
1 Central Avenue
SITTINGBOURNE
ME10 4AE

Solicitors

D G B Solicitors
The Captains House
Central Avenue
Pembroke
CHATHAM MARITIME
ME4 4UF

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is controlled by its governing document, a deed of trust, and constitutes a company, limited by guarantee, as defined by the Companies Act 2006.

Appointment of Trustees

As set out in the Articles of Association the Board shall consist of at least three Trustees.

At the annual general meeting one third of the trustees who are subject to retirement by rotation or, if their numbers is not three or a multiple of three, the number nearest to the one third shall retire from office; but, if there is only one trustee who is subject to retirement by rotation, he shall retire.

Subject to the provisions of the Act, the trustees to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed trustees on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

If the Charity at the meeting at which a trustee retires by rotation, does not fill the vacancy the retiring trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the trustee is put to the meeting and lost.

Subject to the provisions of the Act and to Clause 5 of the memorandum, the trustees may appoint one or more of their number to the unremunerated office of managing director or to any other unremunerated executive office under the Charity. Any such appointment may be made upon such terms as the trustees determine. Any appointment of a trustee to an executive office shall terminate if he ceases to be a trustee. A managing director and a trustee holding any other executive office shall not be subject to retirement by rotation.

Induction and training of new trustees

New Trustees undergo an induction session to brief them of their legal requirements under charity and company law, the content of the Memorandum and Articles of Association, the board meetings and decision-making process, the business plan and recent financial performance of the Charity.

They will also meet key employees and other members of the Board and will be encouraged to attend any appropriate internal or external training where it will facilitate the undertaking of their role.

Arrangements for setting pay and remuneration of key management personnel

The Directors consider the Board of Directors, who are the Trustees of the charity, and the Senior Leadership Team which comprise of the key management personnel of the Charity in charge of directing and controlling, running and operating the centre on a day to day basis. The pay for senior staff is reviewed annually.

Related Parties

The Charity has a very close relationship with Medway Council, who provide funding in the form of a grant, albeit at their own discretion.

Risk management

The trustees have a duty to identify and review the risks to which the charitable company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The board together with the employed management of the charitable company carry out an annual risk assessment. They are satisfied that the principal risks associated with the operation of the charitable company's activities have been properly assessed and appropriate measures introduced to deal with these.

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's objects are to provide, predominantly for the general public in the borough of Medway Council, facilities for recreation and leisure-time occupation in the interests of social welfare and to advance the education of the public in leisure activities.

A quality management system has been developed and implemented to achieve standardisation of procedures.

Staff performance is reviewed every six months through a system of appraisals with feedback measures in place for earlier reviews. Every effort is made to establish shared values of continuous improvement, teamwork, honesty, trust and integrity. This all contributes towards developing a best value approach amongst staff encouraging effectiveness and efficiency of our services and procedures. It also creates added value for customers by being informative, accessible as well as striving to understand and meet their individual needs.

Public Benefit

The Charity has referred to the guidance in the Charity Commission general guidance on public benefit when reviewing aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Charity provides leisure services to the residents primarily, but not restricted to the area of the Medway Towns.

Who used and benefited from the charitable company's services

As part of the group and charitable company's mission statement, its primary objective is providing leisure for the community by the community. The group and charitable company is fully committed to providing a quality facility with affordable pricing to attract all sectors of the local area including special needs groups.

The group and charitable company is a multifunctional facility and therefore has many different products and services ranging from indoor sports to an out of school play scheme.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

A self-assessment questionnaire is completed annually by staff and members detailing areas where improvements are necessary. This information is fed back to the board of directors (trustees) to take appropriate action.

Annual inspections are carried out by Ofsted and ISO Quality Assurance to ensure we comply with national standards. The charity scored highly in both assessments achieving an overall good rating.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENT AND PERFORMANCE – continued

Achievement

The group and charitable company provides sporting opportunity at affordable prices and maintaining a diverse sporting programme to encourage different user groups to use our facilities. We have strategically operated a price freeze on all sporting activities to promote accessibility to the community and encourage volume over price. We have improved sporting opportunities for younger members by introducing new sports at our play scheme. Discounted prices are available for disabled users, senior citizens, students and for local schools.

A Passport to Leisure scheme operates in conjunction with Medway Council which actively targets people on social security benefits to encourage them to become more active with lower priced activities in our daytime sessions.

The group and charitable company's gym has introduced a price freeze and incorporated new membership options such as non-contractual Gym memberships. This has been very successful as it has provided an affordable way of accessing the gym in this current financial climate. There is also a 'pay as you go' rate for adults to help them keep to budget, if the one off payment scheme is not suitable.

There are several new price plans for young people including a 'pay as u go' rate and different tailored packages designed for different ages and different abilities. We continue to support the G.P referral market in partnership with Medway Primary Care Trust and the N.H.S this runs in conjunction with the charities own scheme 'Evergreen' helping people that are 'signed off' from the N.H.S scheme but want to continue in their personal fitness programme. The Leisure Centre has now introduced flexible rolling contracts enabling users to have the option to cancel at any time.

We have also introduced a booking with confidence guarantee for all of our bookings giving customers the flexibility and assurances that if their booking is impacted by COVID-19, that their money and booking are protected.

The group and charitable company's direct debits for the gym and aerobics sessions are still among the lowest in the area.

The fun time scheme continues to develop with a variation of activities including days out being offered to children during the school holidays. This dovetails very well with the fitness aims of the charity. Children are encouraged to pursue an active lifestyle and increase their range of social skills.

The group and charitable company continues to develop partnerships with local schools to complement and extend their physical education programmes.

FINANCIAL REVIEW

Results for the year

The results of the year are laid out as per the financial statements. The incoming resources for the group amounted to £495,936, (2020: £1,206,365) as set out on the financial statement on page ten.

The reserves for the year 2021/2022 will be focused on the centres financial survival of the current covid crisis. Income is in decline. This is due to enforced closure and loss of client confidence in holding public gatherings. Public confidence is the key, to the return to pre-covid levels of income. At the moment that confidence is low. It is not anticipated to begin picking up until late summer of 2021/2022. HMRC job retention scheme along with other government and Local Authority financial help is providing assistance to reduce expenditure in 2021/2022.

The centre also has a business retention insurance policy, to cover enforced closure of the centre by Government or Local Authority action. Negotiations are still under way but the final settlement is likely to be in the order of £135,000.

It cannot be stressed enough, however, that the key to the centres long term financial future remains in the return of public confidence. Plans are currently under review to build in flexibility to deal with the uncertain nature of this.

Bookings into the new financial year remain high, But are subject to late cancellations as the pandemic continues to suppress confidence.

LORDSWOOD LEISURE CENTRE LIMITED
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW - continued
Reserves Policy

The centre will survive in the short term with the help of reserves and careful financial management.

At the 31 March 2021 reserves stood at £355,713 (2020: £503,845), of which £331,022 are unrestricted funds and £24,691 are restricted funds. Of this £223,754 (2020: £282,924) is tied up with tangible assets. The group's free reserves are therefore £107,268 as of the 31 March 2021.

As per the financial review, fixed costs and staffing levels have been reviewed to correlate with predicted lower income levels. Income levels are expected to be volatile and extremely uncertain due to the restrictive government measures preventing us from operating as normal. Mainly because of virus control and the public's concern about the safety of returning pre-covid life patterns.

GOING CONCERN

COVID-19 pandemic has had, and will continue to have a material impact on the trading position of the group and charitable company. As we move forward a number of uncertainties over the extent of the impact still exist and these are detailed below:

- The impact of changes in customer behaviour and confidence levels as a result of the continued existence of COVID-19 in our society is currently unknown, and if customers do not return as anticipated this will have a significant impact on revenue generation.
- The government continues to implement measures to limit the spread of the virus and, as a result, there is a risk of local lockdowns which may have an impact on our revenues.
- A further nationwide lockdown similar to the ones imposed in March 2020 and January 2021 would have a significant impact on revenue and, without further package of government support, would have a significant impact on the charity's ability to realise its assets and settle its liabilities in the ordinary course of business.

The year to 31st March 2022 will see the Centre continue making losses, albeit lower than in 2020/21, as restrictions have been eased and incomes begin to rise.

The Centre losses are covered by a business interruption insurance protection and should negate the effects of the closure on the Centre's cash resources. It is because of this protection and the optimism that the centre can return to a surplus position that, despite the above factors indicating that a material uncertainty still exists, the trustees consider that the Charity should be looked upon as a going concern for the purpose of preparing the financial statements.

PLANS FOR THE FUTURE

Long term plans are currently on hold. The lease of the premises from Medway Council expires in 2024, investment is therefore on a short term basis.

A revised plan to take the Charity forward beyond 2024 is currently being formulated.

FUNDRAISING

Lordswood Leisure Centre Limited and the group as a whole is continually looking at ways to generate additional income.

The charity uses its assets to generate income in many ways, but mainly from the hire of facilities, for example, the sports hall and meeting rooms.

The Trustees are responsible for ensuring that the charity operates within a responsible, sustainable financial framework and that it has adequate resources to carry out its role in educating residents, in leisure activities, in the local community. While the Trustees may delegate many of the operations of fundraising to other parts of the organisation, they retain the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

LORDSWOOD LEISURE CENTRE LIMITED
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

In carrying out fundraising, the charity adheres to the following standards:

- The Trustees will have regard to the Charity commissions publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by the charity will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the charity's purpose.
- The charity will comply with GDPR Legislation in relation to all personal data collected.
- Nobody directly or indirectly employed by or volunteering for the charity shall accept commissions, bonuses or payments for fundraising activities.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the charity.
- All Trustees, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the charity to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Lordswood Leisure Centre 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 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 group and charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and 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 Charities 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 group and 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 group and 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 group and charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the group and charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the group and charitable company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Spencer Grimwade

S Grimwade – Trustee

Date: 20 December 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Lordswood Leisure Centre Limited for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019.

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 2021, 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 and the Charities SORP 2019.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements which indicates that the effects of the COVID-19 pandemic has had a detrimental impact on the trading results of the group and charitable company. As stated in note 1 these events or conditions, along with other matters as set forth in note 1 indicate that a material uncertainty exists which may cast significant doubt on the group and charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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
LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

Matters on which we are required to report by exception

In the light of our 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 strategic report and the trustees' report.

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 trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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's 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.

Auditor's 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 an auditor's report 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 management 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 company, including, but not limited to, the Companies Act 2006 and 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
LORDSWOOD LEISURE CENTRE LIMITED
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We assessed the susceptibility of the 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.

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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and Companies House records.

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 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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ashley Phillips FCCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
ME10 4AE

Dec 21, 2021

Date:

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	24,928	225,492	250,420	-
Charitable activities					
Leisure activities	4	158,896	-	158,896	529,499
Other trading activities					
Commercial trading operations	5	86,441	-	86,441	676,242
Investing activities					
Bank interest	6	179	-	179	624
Total		<u>270,444</u>	<u>225,492</u>	<u>495,936</u>	<u>1,206,365</u>
 EXPENDITURE ON					
Charitable activities					
Leisure activities	7	177,526	134,558	312,084	428,695
Raising funds					
Commercial trading operations	5	<u>229,670</u>	<u>66,243</u>	<u>295,913</u>	<u>684,997</u>
Total		<u>407,196</u>	<u>200,801</u>	<u>607,997</u>	<u>1,113,692</u>
NET INCOME BEFORE TAX		(136,752)	24,691	(112,061)	92,673
 TAXATION					
Taxation on trading losses		(36,071)	-	(36,071)	(2,797)
NET INCOME		(172,823)	24,691	(148,132)	89,876
 RECONCILIATION OF FUNDS					
Total funds brought forward	25	<u>503,845</u>	<u>-</u>	<u>503,845</u>	<u>413,969</u>
TOTAL FUNDS CARRIED FORWARD	25	<u><u>331,022</u></u>	<u><u>24,691</u></u>	<u><u>355,713</u></u>	<u><u>503,845</u></u>

All incoming resources and resources expended derive from continuing activities.

The notes form part of these financial statements

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REGISTERED COMPANY NUMBER: 04492639 (England and Wales)

REGISTERED CHARITABLE COMPANY NUMBER: 1099125

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Tangible assets	15	223,754	-	223,754	282,924
Investments	16	-	-	-	-
		<u>223,754</u>	<u>-</u>	<u>223,754</u>	<u>282,924</u>
CURRENT ASSETS					
Stocks	17	9,140	-	9,140	11,880
Debtors	18	54,402	24,691	79,093	66,463
Cash at bank and in hand		<u>355,210</u>	<u>-</u>	<u>355,210</u>	<u>402,028</u>
		<u>418,752</u>	<u>24,691</u>	<u>443,443</u>	<u>480,371</u>
LIABILITIES					
Creditors: amounts falling due within one year	19	(147,391)	-	(147,391)	(177,808)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>271,361</u>	<u>24,691</u>	<u>296,052</u>	<u>302,563</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>495,115</u>	<u>24,691</u>	<u>519,806</u>	<u>585,487</u>
Creditors: amounts falling due after more than one year	20	(127,187)	-	(127,187)	(71,642)
PROVISIONS FOR LIABILITIES	22	(14,716)	-	(14,716)	(10,000)
ACCRUALS AND DEFERRED INCOME	23	(22,190)	-	(22,190)	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NET ASSETS		<u><u>331,022</u></u>	<u><u>24,691</u></u>	<u><u>355,713</u></u>	<u><u>503,845</u></u>
FUNDS	25				
Unrestricted funds				331,022	503,845
Restricted funds				<u>24,691</u>	<u>-</u>
TOTAL FUNDS				<u><u>355,713</u></u>	<u><u>503,845</u></u>

The financial statements were approved by the Board of Trustees on 20 December 2021 and were signed on its behalf by:

Spencer Grimwade

S Grimwade – Trustee

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REGISTERED COMPANY NUMBER: 04492639 (England and Wales)

REGISTERED CHARITABLE COMPANY NUMBER: 1099125

COMPANY BALANCE SHEET
AT 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Tangible assets	14	-	-	-	-
Investments	15	134,745	-	134,745	310,444
		134,745	-	134,745	310,444
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	344,699	16,169	360,868	271,448
Cash at bank and in hand		39,732	-	39,732	56,300
		384,431	16,169	400,600	327,748
LIABILITIES					
Creditors: amounts falling due within one year	18	(97,732)	-	(97,732)	(84,895)
NET CURRENT ASSETS		286,699	16,169	302,868	242,853
TOTAL ASSETS LESS CURRENT LIABILITIES		421,444	16,169	355,713	553,297
Creditors: amounts falling due after more than one year	19	(81,900)	-	(81,900)	(49,452)
TOTAL NET ASSETS		339,544	16,169	355,713	503,845
FUNDS	23				
Unrestricted funds				339,544	503,845
Restricted funds				16,169	-
TOTAL FUNDS				355,713	503,845

The financial statements were approved by the Board of Trustees on 20 December 2021 and were signed on its behalf by:

Spencer Grimwade

S Grimwade – Trustee

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities	1		
Cash generated from operations		(141,179)	116,308
Net cash from operating activities		<u>(141,179)</u>	<u>116,308</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(79,134)
Interest received		179	624
Net cash from investing activities		<u>179</u>	<u>(78,510)</u>
Cash flows from financing activities			
Interest paid		(4,985)	(3,382)
New loans in year		100,000	50,000
Loan repayments made		(833)	(18,904)
Net cash from financing activities		<u>94,182</u>	<u>27,714</u>
Change in cash and cash equivalents in the reporting period		<u>(46,818)</u>	<u>65,512</u>
Cash and cash equivalents at the beginning of the reporting period	2	402,028	336,516
Cash and cash equivalents at the end of the reporting period	2	<u>355,210</u>	<u>402,028</u>

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.21 £	31.3.20 £
Net income for the reporting period (as per the Statement of Financial Activities)	(112,061)	92,673
Adjustments for:		
Interest received	(179)	(624)
Depreciation charges	59,170	79,093
Decrease/(increase) in stocks	2,740	(2,156)
(Increase/decrease in debtors	(43,981)	7,754
(Decrease)/increase in creditors	(44,456)	23,583
Grant released to income and expenditure account	(7,397)	(7,397)
Movement on provision for legal claim	-	(80,000)
Interest element of hire purchase and finance lease rental payments	4,985	3,382
Net cash inflow from operating activities	<u>(141,179)</u>	<u>116,308</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.21 £	31.3.20 £
Cash in hand	7,016	7,408
Notice deposits (less than 3 months)	348,194	394,620
Total cash and cash equivalents	<u>355,210</u>	<u>402,028</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>402,028</u>	<u>(46,818)</u>	<u>355,210</u>
	<u>402,028</u>	<u>(46,818)</u>	<u>355,210</u>
Debt			
Debts falling due within 1 year	(28,904)	(21,428)	(50,332)
Debts falling due after 1 year	<u>(49,452)</u>	<u>(77,735)</u>	<u>(127,187)</u>
	<u>(78,356)</u>	<u>(99,163)</u>	<u>(177,519)</u>
Total	<u>323,672</u>	<u>(52,345)</u>	<u>177,691</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the 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. There were no material departures from that standard.

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling, which is the functional and presentational currency of the group.

Group financial statements

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Grove Leisure Environmental Limited on a line by line basis. A separate Statement of Financial Activities is not presented for the charitable company itself in accordance with the exemptions afforded by paragraph 408 of the SORP.

Statutory information

Lordswood Leisure Centre Limited is a registered charity and a company limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found under reference and administrative details in the report of the trustees.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charitable company is legally entitled to the income, it is probable that the income will be received, and the amount can be quantified with reasonable accuracy. Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year. Certain income is received in advance of provision of the relevant service and as such is deferred until the service commences. Income for annual memberships is accounted for over the membership year.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Grants receivable

Grants receivable in respect of a specified period relating to the general activities of the charitable company are recognised in the trading profit and loss account in which they become receivable. Capital grants receivable are treated as deferred income and are credited to the trading profit and loss account by instalments over the expected useful life of the related asset on a basis consistent with the depreciation policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Government grants

Government grants are recognised when the performance related conditions imposed upon the receipt of the grant have been met. Where these have not been satisfied, these grants are recognised as liabilities. If grants are not conditional on future performance related conditions, then income is recognised when the grant proceeds are receivable. During the year the company received the following grants:

Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic.

The first year's interest paid as part of the Government's Bounce Back Loan Scheme.

Resources expended

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 costs 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 which meets these criteria is charged to the funds.

Allocation and apportionment of costs

Support costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Where support costs can not be attributed directly they are apportioned using income as the basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- over remaining term of lease
Plant and machinery	- straight line over 5 years
Fixtures and fittings	- straight line over 5 years
Gym equipment	- straight line over 5 years
Computer equipment	- straight line over 3 years

Stocks

Inventories have been valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items.

Financial instruments

The charitable 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Financial instruments – continued

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 impairment is found, an impairment loss is recognised in profit or loss.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the statement of financial activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

Going concern

The outbreak of COVID-19, which has taken place during the year ended 31 March 2021, has resulted in a pandemic causing extensive disruption across the globe. The COVID-19 pandemic developed rapidly in 2020. The resulting impact of the virus on the operations of the company and measures taken by various governments to contain the virus have negatively affected the society's results in March 2021 and the current financial year. The currently known impacts of COVID-19 on the Charitable Company are:

- A significant reduction in income throughout March 2021 as cases of COVID-19 rose in the United Kingdom
- The closure of all leisure facilities in the United Kingdom by the UK government on 23 March 2020 which resulted in no income from primary purpose trading activities from 21 March 2020 through to the reopening of facilities. Facilities in England opened on 25 July 2020.
- Further closures of facilities due to the governments various measures to reduce the spread of the virus from November 2020 onwards culminating in a national lockdown in January 2021 which has gradually eased with indoor leisure reopening on 12 April 2021 in England, with further relaxations in restrictions in May and June.
- A reduction in income compared to previous years from reopening due to the measures that are required to ensure our facilities are COVID secure. The required measures limit the services offered and capacity of leisure sites.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Going concern - continued

The full extent of the impact of COVID-19 on the company are still unknown.

- the impact of changes in customers behaviour and confidence levels as a result of the continued existence of the pandemic in our society is currently unknown and if customers do not return to sites as anticipated this will have a significant impact on revenue generation.
- The government continues to implement measures to limit the spread of the virus and, as a result, there is a risk of local lockdowns which may have an impact on our revenues.
- A further nationwide lockdown similar to the ones imposed in March 2020 and January 2021 would have a significant impact on revenue and, without a further package of government support, would have a significant impact on the society's ability to realise its assets and settle its liabilities in the ordinary course of business.

In response to these matters, the entity has taken the following mitigating actions:

- We have taken advantage of the coronavirus job retention scheme.
- We have worked closely with our council partners to establish a level of services from re-opening that they would be able to support.
- We have put new hygiene measures in place at our gyms, pools and fitness classes in line with coronavirus regulations.
- Some visits to our facilities must be pre-booked.

Forecasts have been produced and are based on the original forecasts for the foreseeable future prepared prior to the advent of COVID-19, adjusted for the impact of the lockdown period and measures that have been put in place in readiness for reopening. The key assumptions regarding revenue are based on the current expectations when the level of usage that can be achieved over the period covered by the forecast rising to a maximum of 100% of historic usage achieved over a period of months. These forecasts indicate that the charity will remain within its financing facilities for the foreseeable future and will be able to meet its financial obligations as they fall due. However, in the current climate, it is extremely difficult to arrive at reliable expectations on which to base assumptions. If the key assumptions are not achieved as a result of the uncertainties noted above, this may cast doubt on the charity's ability to continue to operate.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charitable company'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 relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to 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 key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets.

2. DONATIONS AND LEGACIES

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Coronavirus Job Retention scheme	246,924	-	172,907	-
Bounce back loan interest	1,496	-	748	-
Other donations	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
	<u>250,420</u>	<u>-</u>	<u>175,655</u>	<u>-</u>

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

3. FINANCIAL ACTIVITIES OF THE CHARITABLE COMPANY

The financial activities shown in the consolidated statement of financial activities include those of the charitable company's wholly owned subsidiary Grove Leisure Environmental Limited.

A summary of the financial activities undertaken by the charitable company excluding transactions with Grove Leisure Environmental Limited is set out below:

	31.3.21	31.3.20
	£	£
Gross incoming resources	344,551	529,499
Total expenditure on charitable activities	<u>(492,683)</u>	<u>(428,695)</u>
Net incoming resources for the year	<u><u>(148,132)</u></u>	<u><u>100,804</u></u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Group	31.3.21 Leisure activities	31.3.20 Leisure activities
	£	£
Leisure centre income	<u>158,898</u>	<u>529,499</u>

5. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

A summary of the trading results of the wholly owned subsidiary Grove Leisure Environmental Limited excluding transactions with Lordswood Leisure Centre Limited is shown below:

	31.3.21	31.3.20
	£	£
Trading income	86,441	676,242
Costs of sales and administration costs	(295,913)	(684,997)
Interest receivable	<u>179</u>	<u>624</u>
Net profit/(loss) before taxation	<u><u>(209,293)</u></u>	<u><u>(8,131)</u></u>

The company received £74,017 (2020: £nil) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS) which was attributable to restricted funds (note 2).

6. INVESTMENT INCOME

A summary of the trading results of the wholly owned subsidiary Grove Leisure Environmental Limited excluding transactions with Lordswood Leisure Centre Limited is shown below:

	31.3.21	31.3.20
	£	£
Deposit account interest	<u>179</u>	<u>624</u>
	<u><u>179</u></u>	<u><u>624</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

7. CHARITABLE ACTIVITIES COSTS

Group	Staff costs	Direct costs	Support costs (note 7)	Total funds	Total funds as restated
	31.3.21	31.3.21	31.3.21	31.3.21	31.3.20
	£	£	£	£	£
Summary by expenditure type					
Operation of leisure centres	<u>276,560</u>	<u>11,384</u>	<u>24,140</u>	<u>312,084</u>	<u>428,695</u>
Total	<u>276,560</u>	<u>11,384</u>	<u>24,140</u>	<u>312,084</u>	<u>428,695</u>

8. SUPPORT COSTS

	31.3.21	31.3.20
	£	£
Telephone, postage and stationery	4,509	4,386
Advertising	-	1,089
Sundries	114	766
Finance charges, including irrecoverable VAT	7,686	15,678
Interest payable and similar charges	3,490	3,382
Other costs	(1,306)	18,333
Over provision for legal claim	-	(72,652)
Governance Costs (note 9)	<u>9,647</u>	<u>8,490</u>
	<u>24,140</u>	<u>(20,528)</u>

9. GOVERNANCE COSTS

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Auditors' remuneration				
Audit of the financial statements	8,755	8,500	6,180	6,000
Non audit services	4,310	4,185	2,565	2,490
(Over)/under provision in prior year	<u>2,348</u>	<u>(987)</u>	<u>902</u>	<u>-</u>
	<u>15,413</u>	<u>11,698</u>	<u>9,647</u>	<u>8,490</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

10. NET INCOMING RESOURCES

Group

Net resources are stated after charging:

	31.3.21	31.3.20
	£	£
Auditors' remuneration of the trading subsidiary	5,766	3,207
Depreciation - owned assets	<u>59,171</u>	<u>72,906</u>

11. AUDITORS REMUNERATION

The auditor's remuneration for the group amounts to an audit fee of £15,413 (2020: £11,698).

12. STAFF COSTS

	31.3.21	31.3.20
	£	£
Wages and salaries (incl Directors' remuneration)	397,516	581,570
Social security costs	20,160	27,645
Pension costs	<u>5,581</u>	<u>7,780</u>
	<u>423,257</u>	<u>616,995</u>

During the year, there were no high paid staff.

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

31.3.21	31.3.20
<u>46</u>	<u>57</u>
<u>46</u>	<u>57</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

13. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

	31.3.21	31.3.20
Trustees' remuneration and other benefits etc	<u>104,811</u>	<u>104,687</u>

Trustees' remuneration is paid as a result of their employment within the charitable company or the trading subsidiary.

Mr M Rider (CEO and trustee):

Remuneration £5,000 – £10,000, (2020: £5,000 - £10,000)

Employer's pension contributions £nil, (2020: £nil)

Mr S Grimwade (Operations Director and trustee):

Remuneration £50,000 - £55,000, (2020: £50,000 - £55,000)

Employer's pension contributions £1,000 - £2,000, (2020: £1,000 - £2,00)

Ms R Attwood (Finance Manager and trustee):

Remuneration £25,000 - £30,000, (2020: £25,000 - £30,000)

Employer's pension contributions £500 - £1,000, (2020: £500 - £1,00)

The total amount of employee benefits received by key management personnel is £140,477 (2020: £140,916). The trust considers its key management personnel comprise the trustees and senior leadership team as detailed on page 1.

The trustees had expenses totalling £nil reimbursed during the year (2020: £75).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted fund £	Restricted funds £	Total funds at 31.3.20 £
INCOMING RESOURCES				
Charitable activities				
Leisure activities	3	529,499	-	529,499
Other trading activities				
Commercial trading operations	4	676,242	-	676,242
Investing activities				
Bank interest	5	624		624
		<hr/>	<hr/>	<hr/>
Total		1,206,365	-	1,206,365
EXPENDITURE ON				
Charitable activities				
Leisure activities	6	428,695	-	428,695
Raising funds				
Commercial trading operations	4	684,997	-	684,997
		<hr/>	<hr/>	<hr/>
Total		1,113,692	-	1,113,692
		<hr/>	<hr/>	<hr/>
NET (EXPENDITURE)/INCOME BEFORE TAX		92,673	-	92,673
TAXATION				
Taxation on trading losses		(2,797)	-	(2,797)
NET INCOME		89,876	-	89,876
RECONCILIATION OF FUNDS				
TOTAL FUNDS BROUGHT FORWARD	23	413,969	-	413,969
		<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	23	<u>503,845</u>	<u>-</u>	<u>503,845</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

15. TANGIBLE FIXED ASSETS

Group	Improvements to Property £	Plant and Machinery £	Fixtures and Fittings £
COST			
At 1 April 2020	608,353	40,557	67,049
Disposals	-	-	-
At 31 March 2021	<u>608,353</u>	<u>40,557</u>	<u>67,049</u>
DEPRECIATION			
At 1 April 2020	372,337	32,780	60,870
Charge for year	47,331	1,842	2,844
Elimination on disposal	-	-	-
At 31 March 2021	<u>419,668</u>	<u>34,622</u>	<u>63,714</u>
NET BOOK VALUE			
At 31 March 2021	<u>188,685</u>	<u>5,935</u>	<u>3,335</u>
At 31 March 2020	<u>236,016</u>	<u>7,777</u>	<u>6,179</u>
Group	Gym Equipment £	Computer Equipment £	Totals £
COST			
At 1 April 2020	296,447	5,767	1,018,173
Disposals	(12,531)	-	(12,531)
At 31 March 2021	<u>283,916</u>	<u>5,767</u>	<u>1,005,642</u>
DEPRECIATION			
At 1 April 2020	264,500	4,762	735,249
Charge for year	6,518	635	59,170
Elimination on disposal	(12,531)	-	(12,531)
At 31 March 2021	<u>258,487</u>	<u>5,397</u>	<u>781,888</u>
NET BOOK VALUE			
At 31 March 2021	<u>25,429</u>	<u>370</u>	<u>223,754</u>
At 31 March 2020	<u>31,947</u>	<u>1,005</u>	<u>282,924</u>

LORDSWOOD LEISURE CENTRE LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

15. TANGIBLE FIXED ASSETS - continued

Company	Fixtures and Fittings £	Gym Equipment £	Totals £
COST			
At 1 April 2020	40,760	124,202	164,962
Disposals	<u>-</u>	<u>(12,531)</u>	<u>(12,531)</u>
At 31 March 2021	<u>40,760</u>	<u>111,671</u>	<u>152,431</u>
DEPRECIATION			
At 1 April 2020	40,760	124,202	164,962
Eliminated on disposal	<u>-</u>	<u>(12,531)</u>	<u>(12,531)</u>
At 31 March 2021	<u>40,760</u>	<u>111,671</u>	<u>152,431</u>
NET BOOK VALUE			
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

16. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
MARKET VALUE	
At 1 April 2020 and 31 March 2021	<u>491,100</u>
PROVISION	
At 1 April 2020	180,656
Impairment	<u>175,699</u>
At 31 March 2021	<u>356,355</u>
NET BOOK VALUE	
At 31 March 2021	<u>134,745</u>
At 31 March 2020	<u>310,444</u>

There were no investment assets outside the UK.

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

Grove Leisure Environmental Limited

Nature of business: Leisure centre operators

	% holding		
Class of share:	100		
Ordinary £1		31.3.21	31.3.20
		£	£
Aggregate capital and reserves		338,169	310,444
Loss for the year		<u>(175,699)</u>	<u>(16,028)</u>

17. STOCKS

	31.3.21	31.3.20
	£	£
Stock	<u>9,140</u>	<u>11,880</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

18. DEBTORS

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	23,921	15,221	14,265	2,304
Amounts owed by group undertakings	-	-	312,772	257,772
VAT	6,483	495	-	495
Deferred tax asset	-	31,355	-	-
Prepayments and accrued income	<u>48,689</u>	<u>19,392</u>	<u>33,831</u>	<u>10,877</u>
	<u>79,093</u>	<u>66,463</u>	<u>360,868</u>	<u>271,448</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Bank loans and overdrafts (see note 21)	50,332	28,904	45,620	28,904
Trade creditors	32,212	67,280	1,176	4,965
Social security and other taxes	4,428	4,636	2,241	1,912
VAT	2,000	309	2,000	-
Other creditors	2,430	2,421	2,067	1,962
Accruals and deferred income	<u>55,989</u>	<u>66,862</u>	<u>44,628</u>	<u>47,152</u>
	<u>147,391</u>	<u>177,808</u>	<u>97,732</u>	<u>84,895</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Bank loans (see note 21)	<u>127,187</u>	<u>49,452</u>	<u>81,900</u>	<u>49,452</u>

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

21. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans - less than 1 year	<u>50,332</u>	<u>28,904</u>	<u>45,620</u>	<u>28,904</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>31,765</u>	<u>19,452</u>	<u>22,159</u>	<u>19,452</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>84,720</u>	<u>30,000</u>	<u>54,390</u>	<u>30,000</u>
Amounts falling due in more than 5 years:				
Bank loans – more than 1 year	<u>10,702</u>	<u>-</u>	<u>5,351</u>	<u>-</u>

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.21	31.3.20	31.3.20	31.3.19
	£	£	£	£
Provisions	<u>14,716</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
	<u>14,716</u>	<u>10,000</u>	<u>-</u>	<u>-</u>

23. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.21	31.3.20
	£	£
Bank loans	<u>77,521</u>	<u>78,356</u>

A debenture dated 22 October 2004, was created by Lordswood Leisure Centre Limited for securing all monies due or to become due from the charitable company to HSBC Bank PLC, including a fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertakings both present and future. Composite company unlimited multilateral guarantees dated 11 October 2004 and 6 August 2012 exist jointly between the charitable company and Grove Leisure Environmental Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

24. ACCRUALS AND DEFERRED INCOME

	Group		Company	
	31.3.21 £	31.3.20 £	31.3.20 £	31.3.19 £
Balance at 1 April	(29,587)	(36,984)	-	-
Transferred to income and expenditure	7,397	7,397		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 March	<u>(22,190)</u>	<u>(29,587)</u>	<u>-</u>	<u>-</u>

25. MOVEMENT IN FUNDS

Group

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	<u>503,845</u>	<u>(172,823)</u>	<u>331,022</u>
Restricted funds			
Coronavirus Job Retention scheme	<u>-</u>	<u>24,691</u>	<u>24,691</u>
TOTAL FUNDS	<u>503,845</u>	<u>(148,132)</u>	<u>355,713</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	<u>270,444</u>	<u>(443,267)</u>	<u>(172,823)</u>
Restricted funds			
Coronavirus Job Retention scheme	<u>225,492</u>	<u>(200,801)</u>	<u>24,691</u>
TOTAL FUNDS	<u>495,936</u>	<u>(644,068)</u>	<u>(148,132)</u>

LORDSWOOD LEISURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

25. MOVEMENT IN FUNDS - continued

Company

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	<u>503,845</u>	<u>(164,301)</u>	<u>339,544</u>
Restricted funds			
Coronavirus Job Retention scheme	<u>-</u>	<u>16,169</u>	<u>16,169</u>
TOTAL FUNDS	<u>503,845</u>	<u>(148,132)</u>	<u>355,713</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	<u>193,824</u>	<u>(182,426)</u>	<u>(175,699)</u>	<u>(164,301)</u>
Restricted funds				
Coronavirus Job Retention scheme	<u>150,727</u>	<u>(134,558)</u>	<u>-</u>	<u>16,169</u>
TOTAL FUNDS	<u>344,551</u>	<u>(316,984)</u>	<u>(175,699)</u>	<u>(148,132)</u>

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the charitable company.

Restricted funds

Government grant income used to cover a portion of the employees' wages who were furloughed due to the coronavirus pandemic

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

25. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

Group

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	<u>413,969</u>	<u>89,876</u>	<u>503,845</u>
TOTAL FUNDS	<u><u>413,969</u></u>	<u><u>89,876</u></u>	<u><u>503,845</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	<u>1,206,365</u>	<u>(1,116,489)</u>	<u>89,876</u>
TOTAL FUNDS	<u><u>1,206,365</u></u>	<u><u>(1,116,489)</u></u>	<u><u>89,876</u></u>

Company

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	<u>413,969</u>	<u>89,876</u>	<u>503,845</u>
TOTAL FUNDS	<u><u>413,969</u></u>	<u><u>89,876</u></u>	<u><u>503,845</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	<u>539,499</u>	<u>(433,595)</u>	<u>(16,028)</u>	<u>89,876</u>
TOTAL FUNDS	<u><u>539,499</u></u>	<u><u>(433,595)</u></u>	<u><u>(16,028)</u></u>	<u><u>89,876</u></u>

26. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

27. CONTINGENT ASSET

During the year, the group made a business interruption claim with its insurer.

In accordance with paragraph 5.54 of the Charities SORP, settlement of an insurance claim should only be recognised when virtually certain, which is considered to be when the receipt is received from the insurer.

For the group, this arose in July 2021, which is after the year end, and therefore no income has been recognised.

However, in accordance with paragraph 10.85, this event is considered to constitute a contingent asset as the Supreme Court published its Judgment in relation to the insurance industry test case for COVID-19 claims on business interruption insurance claims on 15 January 2021 (prior to the year end date), the company could consider it probable that there would be an inflow of economic benefits, although there remained some uncertainty until it's insurer had assessed its claim in full.

The contingent asset amount is £133,682. This represents the sum that the board have agreed to settle for post year-end.







Lordswood Leisure - Consolidated Accounts YE 31.03.21

Final Audit Report

2021-12-21

Created:	2021-12-21
By:	Nicola Clarke (nicola.clarke@mfw.co.uk)
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