

WAVE ACTIVE LIMITED

England & Wales · Charity number 1113486

Details

Other names	WAVE LEISURE TRUST LIMITED
Status	Registered
Legal form	Charitable company
Company number	05621359
Registered	2006-03-29
Register	View on the Charity Commission register

Contact

Address	Downs Leisure Centre Sutton Road Seaford East Sussex BN25 4QW
Phone	01323493023
Email	info@waveleisure.co.uk
Website	www.waveleisure.co.uk

Activities

Objects: (3.1) THE COMPANY HAS BEEN ESTABLISHED TO:(3.1.1) PROVIDE OR ASSIST IN THE PROVISION OF FACILITIES AND SERVICES FOR RECREATIONAL, SPORTING OR OTHER LEISURE TIME OCCUPATION IN THE INTERESTS OF SOCIAL WELFARE, SUCH FACILITIES BEING PROVIDED TO THE PUBLIC AT LARGE SAVE THAT SPECIAL FACILITIES MAY BE PROVIDED FOR PERSONS WHO BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, POVERTY OR SOCIAL OR ECONOMIC CIRCUMSTANCES MAY HAVE NEED OF SPECIAL FACILITIES AND SERVICES; AND/OR (3.1.2) PROMOTE COMMUNITY PARTICIPATION IN HEALTHY RECREATION; AND/OR (3.1.3) ADVANCE THE EDUCATION OF THE PUBLIC ON THE BENEFIT OF ACTIVE LIFESTYLE AND IN PARTICULAR THE VALUE OF PHYSICAL ACTIVITY FOR YOUNG PEOPLE; AND/OR(3.1.4) SUCH OTHER CHARITABLE PURPOSES BENEFICIAL TO THE COMMUNITY CONSISTENT WITH THE OBJECTS ABOVE AS THE TRUSTEES SHALL IN THEIR ABSOLUTE DISCRETION DETERMINE (THE 'OBJECTS').

Activities: Provider of Sports, Leisure and Recreational services and facilities primarily for, but not restricted to the communities within Lewes District and Eastbourne Borough.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Arts/culture/heritage/science, Amateur Sport, Economic/community Development/employment, Recreation, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- East Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£8,066,607	£6,899,346	£3,105,253	327
2024-03-31	£6,562,677	£8,829,662	£2,015,991	319
2023-03-31	£6,324,535	£6,129,165	£4,282,977	269
2022-03-31	£5,179,638	£5,348,440	£662,607	238
2021-03-31	£4,826,142	£4,952,097	£-833,591	346

Trustees

Name	Role	Appointed
ERIC KIHLSROM	Chair	2022-04-04
Catherine Harwood-Smith		2023-06-05
Charlotte Keenan		2024-02-02
Cllr Laurence O'Connor		2020-07-24
Dr Maja Golf-Papez		2025-12-17
KEVIN DAVID ELLIS		2018-07-30
Marcel Philippe Miller		2018-02-22

WAVE ACTIVE LIMITED

England & Wales - Charity number 1113486

Accounts

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
FOR
WAVE ACTIVE LIMITED
T/A WAVE ACTIVE

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

THURSDAY



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18/12/2025

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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 MARCH 2025

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. 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).

OBJECTIVES AND ACTIVITIES

Objects of the Charity

The Objects of the Charity per the Memorandum of Association are:

- To provide or assist in the provision of facilities and services for recreation, sport, culture or other leisure time occupations and the interest of social welfare, such facilities being provided to the public at large save that special facilities maybe be provided for persons who, by virtue of their youth, age, infirmity, disability, poverty or social or economic circumstances may have need for special facilities or services.
- To promote community participation in healthy recreation.
- To advance the education of the general public on the benefits of active lifestyles, and in particular the value of physical activity for young people.
- Any other charitable activity beneficial to the local community consistent with the above objectives.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

Public benefit

The Trustees confirm that they have complied with the duties in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on 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 Charity provides leisure and health related services to the residents primarily but not restricted to the Lewes District and Eastbourne Borough areas of East Sussex.

The Charity provides leisure and health related services at the following facilities:

- Downs Leisure Centre, Seaford.
- Lewes Leisure Centre, Lewes.
- Peacehaven Leisure Centre, Peacehaven.
- Seahaven Swim and Fitness Centre, Newhaven.
- Seaford Head Swimming Pool.
- Ringmer Swimming Pool (re-opened May 2025 after closing due to Covid and extensive maintenance issues).
- Shakespeare Hall, Newhaven (transferred back to Lewes District Council June 2025).
- Newhaven Fort, Newhaven.
- Hampden Park Sports Centre, Eastbourne.
- Eastbourne Sports Park.
- Shinewater Sports Centre, Eastbourne.
- Motcombe Swimming Pool, Eastbourne (closed since April 2020 due to extensive maintenance issues).
- Regency Park Community Centre, Eastbourne.
- Sovereign Harbour Community Centre, Eastbourne (transferred to community group 1st October 2024).
- Skyhigh Trampoline Park.
- Saltdean Lido (commenced 1st May 2023)
- Hillbrow Health and Wellbeing, Eastbourne (freehold purchase in partnership with South Downs Health & Care GP Federation. Commenced operation 1st August 2024).

Facilities provided include; gym and fitness suites, swimming pools, sports halls, squash courts, soft play and meeting rooms at various locations. A varied programme of holiday scheme activities and special events are also provided. The Charity contributes to the health and wellbeing of the population in general but also, in particular via its sub brand Wave Active Health offering behavioural change courses and activities for those with health conditions, injury or illness.

The Charity offers a wide range of membership options and also allows customers to use the facilities on a pay and play basis. There are special discounted memberships available specifically for juniors, students, seniors, couples and those with health conditions.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Achievements and performance

Charitable activities

The Charity completed its 19th year of trading after its transition from a Local Authority controlled service to a Charitable Company in 2006.

Creating a new Wave of Active Health

Whilst the Charity's "Creating a new Wave of Active Health" Strategy continues to develop, significant progress has been achieved with actions directly aligned to the Charity's purpose and vision now split across two distinct brands: "Wave Active" and "Wave Active Health" each with their own supporting aim, to provide greater focus, traction and impact.

The following table summarises the shared elements of both brands and those individual elements:

	Wave Active	Wave Active Health
Common Belief	We believe in the power of physical activity to improve people's physical, mental and emotional health	
Purpose	"Inspiring Active Lifestyles"	
Vision	"To be at the heart of the improvement of health and wellbeing in our community."	
Aim	"Inspiring and sustaining an active life."	"Empowering independent health and well-being."
Key Activities	Developing and operating high-quality, sustainable facilities, activities and programmes for the general public	Designing and delivering behavioural change and activity programmes and pathways that help those suffering from a health condition, injury, illness and inactivity back to positive physical and mental health.

Staffing

As highlighted in the prior year's report, the organisational restructure implemented in August and October of 2020 cut across every department, supporting the key objective to reduce the financial burden and protect cash whilst maximising revenue opportunities. However, as the Charity has continued to grow and evolve, and demand for more Wave Active Health activities has increased, it became clear that a number of key changes were required to ensure the ongoing effective management of the Charity. In addition, with the retirement of Neil Harrison (30th June 2025) several key functions needed to be redistributed. This re-shaping went live on 1st June 2025.

Principal management role changes included:

Name Previous Role New Appointment:

Name	Previous Role	New Appointment
Fred Furner	Head of Property, Quality and Compliance	Head of Service, Property and Compliance.
Victoria Smith	Sales and Campaign Co-ordinator.	Sales and Marketing Manager.
Liz Allsobrook	Head of Community and Stakeholder Engagement.	Project Manager.
Hannah Maybury	Health Improvement Practitioner.	Wave Active Health Co-ordinator.
Andrea Maynard	Wave Active Health Co-ordinator.	Health Coach.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

In addition, three new roles were created:

Name	Previous Role	New Appointment
Emily Hart	Duty Manager	Health and Safety Co-ordinator
Juliette Harrison		Marketing Executive
Hannah McInnes		Wave Active Health Marketing Executive.

In line with the implementation of role changes, the management team structure was also reviewed and amended. The Business Development Team was disbanded, replaced by a Senior Leadership Team and additional departmental leaders were onboarded to the monthly Charity Performance Team Meeting.

As highlighted, after 29 years of service, Neil Harrison retired from the Charity on 30th June 2025. In the time that Neil worked for the Charity he covered a number of key roles including Head of Operations and more latterly, Head of Commercial Development. In those roles Neil was involved with a number of key projects but his last, project managing the £7.5 million Newhaven Towns Fund Project at Newhaven Fort was by far the most significant.

The Fort was closed for 12 months whilst works were carried out and when it re-opened the impact was palpable. The project had been completed on budget and on time, but, beyond that, the quality of the refurbishment was transformational, notably the reworked exhibitions within the Fort's casemates.

The Fort now boasts an enhanced visitor experience, featuring a brand-new adventure playground, interactive exhibitions and an exciting 1970s-themed escape room, which opened in April. Also, visitors can now explore previously hidden parts of the Fort including the Battery Observation Post, which offers some of the best views of the Sussex coastline.

Since it opened in February 2025, BBC Radio Sussex has broadcast from the Fort, Carol Kirkwood from BBC Breakfast broadcast the weather from the Fort and in April, the Charity received a Royal Visit from the Duke of Gloucester who was impressed with what has been achieved.

Neil was a proud and loyal enthusiast of the Charity, and all colleagues and Trustees thank him for his service and wish him a long and healthy retirement.

Finance

For the 12 months to March 2025 profit of £1,089,261 was generated compared a budgeted loss £(92,713) giving rise to a positive variance of £1,181,974, predominantly reflecting restrictive capital fund movements in the year not included in the budget.

The net profit arises from income of £8,066,607 less expenditure of £6,941,000 and finance costs of £36,346.

Total income exceeds budget by £1,878,927 and prior year by £1,503,930, including a one off donation of £143,011. £73,698 Swimming Pool Support Fund grant, LDC Capital grant of £943,000 and £421,803 relating to Newhaven Fort along with strong bookings income contribute to the positive income variance and increase on prior year.

Total expenditure exceeded budget by £696,953 and prior year by £748,684. The negative variance mainly relates to depreciation of capital items purchased by restricted funds and expenditure relating to Newhaven Fort.

In summary, the Charity continued to provide a strong result adding to reserves and holding cash balances.

Funding and Investment

Through utilisation of the Charity's funds, successful grant and loan applications, or in partnership with key stakeholders, e.g. Lewes District Council and Eastbourne Borough Council, a number of large project have been successfully delivered through 2024/25 including:

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

Site	Project	Purpose	2025 Update
Peacehaven Leisure Centre	Create extension to current gym.	Revenue generation Customer satisfaction	Complete
Seahaven Leisure Centre	Newhaven Health Hub; This regeneration proposal has three elements to it; firstly, to rehome Quayside Medical Practice and Chapel Street Surgery in Newhaven Town Centre adjacent to the current leisure centre, secondly to physically link and extend the leisure centre and create a new gym, studios, cafe and reception area next to a new, shared entrance foyer and finally, refurbish the current swimming pool building.	Revenue generation Customer satisfaction	In progress, due for completion October 2026.
Newhaven Fort	Improve visitor experience through a series of projects linked to:- Health, Safety and Environment- Visitor Attractions- Restoration	Increase visitor numbers Revenue generation improve Visitor experience	Complete
Downs Leisure Centre	Health Hub	To support the new strategy, empowering independent health and wellbeing for those with health conditions.	LDC Cabinet decision not to proceed.

On the back of being awarded a circa £1,000,000 grant from LDC a number of additional projects have also been completed including:

Site/s	Project/s	Purpose	2025 Update
Lewes Leisure Centre	Pool Covers	Reduce energy costs	Complete
Seahaven Leisure Centre			
Lewes Leisure Centre	Green Technology	Reduce energy costs	Complete
Downs Leisure Centre			
Seahaven Leisure Centre			
Lewes Leisure Centre	Reception refurbishment	Revenue protection	Complete
Downs Leisure Centre			
Lewes Leisure Centre	Wet Change refurbishment	Revenue protection	Complete
Lewes Leisure Centre	Turnstiles	Revenue protection	Complete
Downs Leisure Centre	3G Flood Lights	Reduce energy costs	Complete
Lewes Leisure Centre	Replace corridor flooring	Revenue protection	Complete
Lewes Leisure Centre	Replace lighting in foyer	Reduce energy costs	Complete

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Downs Leisure Centre	Refurbish Studio 3	Grow and protect revenue	Complete
Lewes Leisure Centre	E15 Pool Circulation	Reduce energy costs	Complete
Seahaven Leisure Centre	pumps		

Hillbrow Health and Wellbeing

In addition, following the University of Brighton's decision to exit Eastbourne and procure a new freehold owner of their sports centre in Meads, the Charity entered into a new partnership with South Downs Health and Care GP Federation to bid for the site. Following a formal procurement process, on 26th March 2024 the new partnership was selected as preferred bidder and on 1st August 2024 "Hillbrow Health and Wellbeing" opened to the public.

Over the past twelve months, the Charity has been investing in Hillbrow Health and Wellbeing which has a focus on person-centred care, and positive outcomes for physical, mental and emotional wellbeing, achieved through effective treatment, including encouraging participation in relevant and appropriate physical activity. The goal is to change the way clinical and leisure health professionals work together on a daily basis to improve the health of the local community.

As trading levels grow, investment in Hillbrow has enabled:

- Strategy development.
- Employment opportunities.
- Marketing activities.
- Purchase of equipment.
- Programmes of Activity.
- The creation of a Reformer Pilates Studio ("Reformer Movement")

In addition, on the back of South Downs Health and Care GP Federation's (SDHC) decision to relocate and become a tenant of Hillbrow, investment has enabled the creation of 13 consultation rooms for the provision of a number of services including:

- Urgent GP Care.
- Extended Hours Provision.
- Vaccinations.

The decision for SDHC to relocate has enabled the vision for Hillbrow to be realised earlier than anticipated and over the coming months the focus will be on driving footfall and participation levels whilst providing excellent customer care.

Wave Active Health

The Charity has been at the heart of community health since 2006 and has well-established and respected partnerships with several Public Health Partners including East Sussex Public Health, Integrated Care Board, Primary Care Networks, and the NHS in relation to the delivery of commissioned services supporting those in greatest need with physical and mental health conditions.

During 2023, the decision was made to create a new sub brand of Wave Active called Wave Active Health, with the aim of "Empowering independent health and well-being" by designing and delivering behavioural change and activity programmes and pathways that help those suffering from a health condition, injury, illness and inactivity back to positive physical and mental health.

The Government's new 10-year plan for the NHS offers insight as to what the new landscape will look like, and it offers the Charity the opportunity to build on work done to date and the relationships already established across Public Health to support positive health impact.

Examples of current weekly classes include:

- Chair Based Exercise (to improve strength and mobility)
- Chair Based Yoga (beginner level)
- Circuits (to improve strength, balance, cardio and reach)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

- Guided Gym (to improve strength, balance, cardio and reach)
- Low Level Functional Fit (to improve strength and fitness)
- Move and Mobilise (to improve strength and balance)
- Move More (progression from Move and Mobilise)
- Move More Yoga (progression from chair based yoga)
- Remedial Yoga (for management and maintenance for aging and injury recovery)
- Referral Pilates (beginner level)
- Pregnancy Yoga (for calmness and anxiety during pregnancy)
- Yoga, Mindfulness and Meditation (holistic approach to improving mental health)
- Cardiac Rehabilitation Exercise Classes (for members with cardiac related health conditions)

Whilst there has been growth in participation, the Charity wants to achieve more and, as such, has set some ambitious developmental targets including:

- To continue to provide an increase in activities in the Eastbourne Borough area to provide equity with service provision in the Lewes District.
- To provide services across the weekend and weekday evenings to help increase the number of members who work across Monday to Friday in the daytime, when the current majority of services are provided.
- Increase marketing to new referring partner organisations across primary and secondary care services. Improve communications with potential members via the Referral Clinic activity i.e. first point of contact and follow up. Increase volume of free courses for potential members.
- To increase referrals from across primary and secondary care partner organisations by engaging with new referrers. To focus on significantly increasing marketing and activities in the Eastbourne Borough to increase referrals and memberships in that area.
- To continue to increase the volume of classes, courses and referral clinics where workforce and site capacity is available. To increase attendance rates to 90% or higher of maximum capacity.

Plan for Future Periods

The Charity has been successfully delivering on its Inspiring Active Lifestyles purpose and, over the past 12 months has continued to make positive progress against its vision; "to be at the heart of the improvement of health and wellbeing in the community".

Moving forward, the Charity will continue to be committed to the "Creating a new Wave of Active Health" Strategy which has two key activities:

1. Wave Active; developing and operating high-quality, sustainable facilities, activities and programmes for the general public.
2. Wave Active Health; designing and delivering behavioural change and activity programmes and pathways that help those suffering from health conditions, injury, illness and inactivity back to positive physical and mental health.

As the Charity enters its 20th year of operation, these two activities will continue to be the focal point, ensuring the Charity remains financial sustainable whilst ensuring impact on the health of the local community.

Whilst performance continues to be positive, the Charity continues to face ongoing financial pressures and it is unlikely that this will change in the coming months, potentially years.

2024/25 has been a year of investment in terms of facility developments, new ventures and employment opportunities, and this will continue into the 2026/27 financial year.

Increasing financial pressures means that growing participation and revenue coupled with good cost control must remain key focus areas year on year.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Whilst the Charity enters the final year of CBILS repayments on the back of the Covid Pandemic, once repaid in full, the intention is to invest in new gym equipment across the sites. This will support the continuing drive to increase participation levels, membership sales and improve retention levels.

The focus on increasing participation linked to Wave Active Health will continue. Growing and diversifying the offer across a number of sites will play a key role in attracting new participants, and as the Charity grows, investment in more Health Practitioners and other Health Professionals will follow.

Over the years, continuing to evolve has not only brought financial stability but also a growing confidence in the Charity's ability to deliver in isolation and/or with external partners. As such, the Charity will seek to expand the offer in new locations and explore opportunities where relevant.

Fundraising activities

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 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.

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

- The Trustees will have regard to the Charity Commission's 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 stated mission and 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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial review

Financial Position

The results for this nineteenth year continue to demonstrate the value of working to an approved budget that reflects the Company's strategic plan along with continual business development reviews to ensure long term income resilience.

Incoming resources of £8,066,607 (2024: £6,562,677) which exceeded expended resources by £1,089,261 (2024: £304,015) before pension adjustments, includes £1,016,698 of restricted funds (2024: £57,666). A total of £506,519 (2024: £145,587) restricted funds were matched with expenditure in 2024/25.

The principal incoming resources arising from operations totalling £7,812,922 (2024: £6,487,604) were from grant from Eastbourne Borough Council, joint user arrangements, membership fees, swimming and other health and fitness activities.

Expended resources of £6,899,346 (2024: £6,228,662) includes £506,519 (2024: £145,587) in relation to the restricted incoming resources brought forward from 2024 and arising in the year, this restricted operational expenditure being depreciation and impairment, where applicable.

Restricted funds carried forward at 31 March 2025 were £971,233 (2024: £534,752) relating to fixed assets which are being depreciated over their useful lives.

Investment powers

Under the Memorandum and Articles of Association, the Charity has the power to invest any monies not immediately required for its objects in or upon such investments, securities or property as may be thought fit.

The Charity having regards to the liquidity requirements of operating the centres and to the reserves policy has operated a policy of keeping available funds in interest bearing Public Sector Reserve Accounts. During 2023/24, the Charity sought to maximise the interest earning potential by investing £1,001,000 (2024: £1,001,000) of available funds with the Nationwide Building Society in a 124 day Saver - Issue 4 account, £785,331 (2024: £503,214) with Virgin Money on a 120 day call account and £310,522 (2024: £503,563) held in Cooperative Bank Instant Access Deposit account. Subsequent to the year end £200,000 was moved from the Cooperative deposit account to the Cooperative current account to fund drawdowns of the loan to Hillbrow Health and Wellbeing Limited.

Borrowing powers

Under the Memorandum and Articles of Association, the Charity has the power to borrow and raise money for the objects of the Company on such terms and conditions and on such security as may be thought fit. During the year to 31 March 2021 Charity secured a loan of £500,000 from Lewes District Council to provide working capital during closure as a result of the COVID-19 pandemic, and a CBILS loan of £650,000. The £500,000 loan is due for repayment in full after 10 years and the CBILs is due to be repaid in full in 48 months from August 2022. In the year to 31 March 2025 the Charity repaid £186,781 of the CBILs loan of which £22,596 was interest payable and £164,183 repayment of principal, along with £13,750 interest only to Lewes District Council.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial review

Reserves policy

The Charity, prior to the COVID-19 pandemic, had accumulated a favourable cash flow position. It also receives some income such as service fees and grants in advance of its expenditure. The Trustees, however, recognise the need for a buffer of financial reserves that will protect the Charitable Company from the possibility of any adverse unforeseen circumstances. These include a number of specific risks that have been identified in the Charitable Company's Risk Register. The key financial risk is access to cash, which is determined by the level, timing and certainty of the Charity's income and the phasing and control of expenditure. The Charity's budget process identifies peaks and troughs in cash flow and it is deemed essential that sufficient funds are available at all points in the cycle.

Trustees have examined the requirement for any useable reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. In defining the reserves policy Trustees have been mindful of the requirements within the following areas:-

- Insurance
- IT strategy
- Pension Liability
- Business Development and Investment Fund.

The Trustees have assessed that the target free reserves of the Charity should be £1.5million, which is based on three months expenditure cover. The current level of free reserves is £2,134,020 (2024: £1,481,240). Budgets will be set in future years with the Reserves Policy in mind.

The Trustees have reviewed the allocation of funds to the defined Unrestricted funds and mindful of the impact on cash reserves for the repayment of the CBIL's loan by August 2026 have deemed that there should be £80,263 designated reserves.

Pension Reserve

Within Unrestricted Reserves the Charity has a pension scheme asset of £3,959,000 (2024: £3,191,000) as of 31 March 2025; however an asset ceiling has been applied to the same value and therefore there is a £NIL asset within the financial statements. In the long term, the cash flow impact of having a pension scheme asset is that employer contributions may reduce to reduce the asset. The Charity will always pay the employer contribution rates set by the pension scheme actuaries which as of 31 March 2024 for 3 years will be 7.1% per an independent scheme valuation.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial review

Going concern

In the wake of the COVID-19 pandemic and the ongoing Russian invasion of Ukraine companies worldwide are experiencing adverse effects on the supply chain, availability of employee resources and rising inflation which put pressure of the cost of supplies to businesses and the economic health of the consumer. In the year to 31 March 2024 and into the year to 31 March 2025 the adverse global effects continued to result in a testing time for the leisure sector as a whole in the UK.

Inflation though reducing continues to put pressure on the cost of supplies and services to the business and the economic health of the consumer, and on the charity's financial performance, with the most affected areas being:

- Profitability
- Pricing structures
- Going concern consideration
- Risk and cashflow forecasting

Wave Active Limited have reacted to the inflationary pressures by maintaining price increases below inflationary impacts on the business to ease the pressure on members and casual users of the leisure facilities, and by applying increases to employee rates at the prevailing level of inflation as measured by the increase in the minimum wage. The Trust also considers long term viability of the business when reacting to inflationary pressures.

To counter the inflationary pressures Wave Active Limited will apply the cash reserves as held at 31 March 2025 which ensures that it can meet its debts as they fall due, including repayment of COVID-19 related loans which will provide sustainability in the medium term. Long term sustainability will be gained through the capital purchase plans which provides for ongoing investment in the Charity's facilities.

Growth of the business supports long term sustainability with post balance sheet events that give rise to positive impact on reserves and by mitigating any risk attached to new business opportunities. Management continues to explore new business opportunities with a focus on de-risking the business model.

The business model is under constant review to ensure that it reflects the latest forecast for inflation along with detailed review of energy pricing from flexible forward purchase contracts for gas and electricity.

Although uncertainty surrounding inflation and energy pricing past 31 March 2025 remains, the Charity has produced forecasts that indicate the Charitable Company will remain able to meet its financial obligations as they fall due for the foreseeable future. Therefore, the Board is confident that no material uncertainty exists that would put doubt on the Charity's ability to continue as a going concern and has therefore produced the financial statements on a going concern basis.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Wave Active Limited is a Charitable Company limited by guarantee. It was incorporated on 14 November 2005, registered as a Charity on 14 March 2006 and commenced trading on 1 April 2006. On 28 November 2023 the Charity passed a special resolution changing its name from Wave Leisure Trust Limited to Wave Active Limited.

In addition, on 3rd April 2023 a Board meeting of WLT Solutions Ltd (dormant trading subsidiary of Wave Active Limited) was held, and a Special Resolution passed to change its name from WLT Solutions Limited to Wave Active Health Limited.

The Charity was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

As set out in the Articles of Association the Board shall consist of at least six and not more than nine Trustees all of which shall be required to become a member of the Charity.

The Board of Trustees shall consist of:

- A maximum of two Local Authority Trustees
- One Employee Trustee (if determined by the Charity)
- One individual appointed to be the Chief Executive Officer Trustee (if determined by the Charity)
- No less than four or more than nine other individuals appointed as Community Trustees.

In exercising their powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Trustees, both the members and Trustees shall seek to ensure that the Board is representative of those with an interest in the facilities and services offered by the Charity and also comprises persons with a broad range of skills and who are likely to contribute to the Charity's success.

The Local Authority Trustee/s shall be nominated by Lewes District Council to serve for such period of office as shall be confirmed by Lewes District Council.

On the back of the Employee Trustee and CEO Trustee resigning, The Charity determined that replacements would not be appointed.

At the first Annual General Meeting after the Charity has commenced its activities all of the Trustees shall retire but will be eligible for reappointment without requirement for nomination. At each Annual General Meeting held thereafter, one third of the Community Trustees must retire, those longest in office retiring first and the choice between any equal service being made by drawing lots.

No Trustee shall serve on the Board for more than nine years in total excluding the period between the commencement of activities and the first Annual General Meeting.

All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses redeemed by the Charity are set out in note 8 to the accounts.

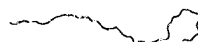
Trustee Induction and Training

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.

In 2024/25, internal training for Trustees comprised the following:

- o Expression of Interest pack including application forms, details of the work of the Charity and the role and expectations of Trustees
- o Selection meetings with the CEO and Chair of Trustees
- o Invitation to attend a Board meeting prior to becoming a Trustee
- o Visits to the facilities and meeting key staff
- o Invitation to attend the meetings of Sub Groups
- o On-going training in legislation and responsibilities of Trustees



REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT**Organisation**

The Board of Trustees administers the Charity. The Board meets quarterly and there are three Sub Groups covering Finance and Audit, Governance and Health and Safety which meet regularly.

On a biennial basis, Trustees attend a strategic away day to review performance, re assess market conditions and prepare a tactical plan for the future. In keeping with the time frames a Trustee Away Day was held on 03 February 2024.

In addition to training, one new Trustee was inducted to the Board. Figure 2 highlights the core skill sets and experiences of the current Board:

Figure 2

Serving Board Members	Occupation	Core Skills	Gender
Eric Khilstrom (Chair)	Chairman/Trustee	Strategy, Financial Management, National Governing Bodies, Healthcare Services, Social/Care Services	Male
Mark Beaumont(Retired 18/11/24)	Founder/MD/Entrepreneur	Business start-up and new product development	Male
Phil Clarke	Retired Director Tesco Stores Ltd	Private sector - retail and service management	Male
Mike Price(Retired 18/11/24)	Retired Head Teacher Barnardo's	Public and Charity sector - Special Needs Education	Male
Kevin Ellis	Retired Actuary & Private Math's Tutor	Strategy, Financial Management, Accountancy, Treasury Management, Governance, Training & Development	Male
Marcel Miller	Treasurer	Financial Management, Accountancy, Banking, Treasury Management, Insurance, Pensions,	Male
Cllr Laurence O'Connor	Dept for Work & Pensions	Working with Local Authorities	Male
Cat Harwood-Smith	Charity Senior Leader	Strategy, Community Relations, Local Government, Working with Local Authorities, Healthcare Services	Female
Cllr Charlotte Keenan	District Councillor	Financial Management, Local Government & Human Resources	Female

Following his appointment on 5th December 2022, Eric Khilstrom continues as Chairman of the Board. Marcel Miller is the Chairman of the Finance and Audit Sub Group, Cllr Laurence O'Conner is Chairman of the Health and Safety Sub Group and Phil Clarke is Chairman of the Governance Sub Group. Sub Groups work effectively with the management team and the report back to Board on a quarterly basis.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board and Trustee Evaluation

During 2024/25, the Governance Sub Group, of three trustees, continued to review matters in line with the annual work plan which includes a comprehensive review of the Governance arrangements of the Charity. As well review of the Risk Register and identifying areas to strengthen current arrangements around policy and procedures.

Related parties

On 31st March 2021, a new 10 year extension to the original 2006 contract was agreed with Lewes District Council securing the long term partnership to 2031. The extension is not supported with a service fee.

In addition, on 1st April 2019 Eastbourne Borough Council agreed to support the Charity with an annual grant relating to a long-term project (10 years) to provide improved leisure, sports, and community services and to support healthcare and wellbeing in Eastbourne ("the Project"). The Agreement provides for the transfer of certain assets to the Charity, rights of occupation of relevant facilities and the transfer of employees to the Charity to support the Project.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Pay Policy for Senior Staff

The Directors comprise the Board of Directors, who are the Charity's Trustees, 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 Charity on a day-to-day basis. All Trustees give their time freely. Details of Trustee expenses and related party transactions are disclosed in notes 8 and 21 to the accounts. The pay for senior staff is reviewed annually and increased with reference to the Consumer Price Index, financial conditions and reserves.

Disabled Employees

The Charity believes that excellent service provision will be achieved through recognising the value of every individual. The Charity aims to create an environment that respects the diversity of staff and customers and enables them to achieve their own personal goals, contribute fully, and derive maximum benefit and enjoyment from their relationship with the Charity.

The Charity recognises and values the diversity of the workforce and communities and wants to ensure that all the attributes, talents, and skills available throughout the community are recognised when employment opportunities arise. The principle is that jobs should be filled by those best able to do them.

The Charity takes every possible step to ensure that staff, and potential staff, are all treated fairly and given equal opportunity and support appropriate to their needs. All employment decisions including those on recruitment, selection, training and career development, are based job related objective criteria and personal qualities. All applicants will be provided with a full job description of the duties and responsibilities; and a person specification setting out the essential requirements in terms of education, qualification, knowledge, work performance, competencies and personal qualities.

Employee Involvement

The Charity ensures that employees are treated equally at work, across all levels and locations. This includes making sure they have the same opportunities for recognition, reward and career development.

Diversity and inclusion are central to the business to ensure continued success. The Charity must create a culture where people can be themselves at work, regardless of their gender or any other attribute or choice.

The Charity is committed to the belief that well-informed and properly consulted employees will work better and feel an integral part of the organisation. The Charity values everybody's contribution to success and believes that effective communication and working together as a team are critical to achieving business success. It is the Charity's aim to encourage effective communication that is open and two-way. In helping to achieve this objective the management team all have a responsibility to encourage upward information from their teams and in turn ensure that their teams are well informed about what is happening within the organisation.

The Charity has agreed jointly with Staff Representations a protocol and structure for informing and consulting with staff.

In accordance with legal requirements and in response to good employment practice the Charity's aim is to ensure employees are:

- Informed about the business's economic situation
- Informed and consulted about employment prospects, and
- Informed and consulted about decisions likely to lead to substantial changes in work organisation or contractual relations, which may include redundancies and transfers

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Some key principles of effective consultation are followed, including:

- A free exchange of ideas and news affecting the interests of the employees and the organisation.
- Communications are two way.
- Management and Staff Representatives will agree on the issues that will be the subject of consultation.
- Appropriate information to be made available.
- Those participating know their roles.

Risk management

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

The risks and uncertainties faced by the Charity are regularly reviewed by senior management and formally with the Trustees as part of the work assigned to the Finance and Audit Sub Group and Governance Sub Group subsequently reported to the Board.

A Risk Register, used to identify the primary risks faced by the Charity and the actions and initiatives to be taken to mitigate those risks is reviewed by the Governance Sub Group at each meeting as a standing agenda item. The risk register is then reported to the Board as required.

The risks and uncertainties faced by the Charity are those inherent with the management of sports and leisure services with the core aim of;

- Promoting community participation in healthy recreation, and/or
- Advancing the education of the public on the benefit of active lifestyle and in particular the value of physical activity for young people, and/or
- Such other charitable purposes beneficial to the community consistent with the objects as the Trustees shall in their discretion determine.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Figure 5: Identified Risks and Management Procedures

Identified Risk	Description	How we manage the risk
Contractual risk	Failure to perform in terms of the contract to provide leisure and recreational services to communities.	Through regular partnership meetings and reporting with Local Authority partners highlighting Charity Performance and Impact.
Operational risk	Incurring losses as a result of inadequate or failed internal and external processes, systems and human error or from external events.	Internal audit and external audit programme in place. Documented processes in place for all financial controls and processes.
Regulatory risk	Failure to comply with relevant regulations and procedures, for example health and safety.	Robust systems of internal and external audits and training by specialist training providers and third-party advisors with specialist knowledge of the sports and leisure sector.
People risk	Failure to ensure we maintain a well-trained, competent and motivated workforce.	Comprehensive programme of training provided across the business including annual assessment needs, competency checks and systems for behaviour and performance monitoring.
Financial risk	Failure to ensure we maintain adequate reserves to ensure the on-going financial requirements of the Charity are met.	Reserves policy regularly reviewed as part of the annual Board assessment in line with the future needs of the business.
Reputational risk	Failure to meet the expectations of our key stakeholders, our partners, staff and customers in the performance and management of the charity's affairs.	Comprehensive partner relations established with key stakeholder groups that have a direct or indirect influence on the performance of the business.
Economic risk	Failure to achieve income levels due to increased competition or a reduction in levels of customers' disposable income.	Regular review of pricing against competitors, price promotion and comprehensive systems for gathering customer feedback.

WAVE ACTIVE LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05621359 (England and Wales)

Registered Charity number

1113486

Registered office

C/o Downs Leisure Centre
Sutton Road
SEAFORD
BN25 4QW

Trustees

Mr K Ellis

Mr P Clarke

Mr E Kihlstrom (Chair)

Mr M Beaumont

Resigned 18th November 2024

Mr M Price

Resigned 18th November 2024

Mr M Miller

Cllr L O'Connor

Ms Cat Harwood-Smith

Cllr C Keenan

Company Secretary

Ms D Pollard

Auditors

McCabe Ford Williams

Statutory Auditors and Chartered Accountants

Building 1063

Cornforth Drive

Kent Science Park

Sittingbourne

Kent

ME9 8PX

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Mayo Wynne Baxter
20 Gildredge Road Eastbourne
East Sussex, BN21 4RP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Wave Active 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 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 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.

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.

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17 November 2025 and signed on the board's behalf by:



Mr E W Kihlstrom - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WAVE ACTIVE LIMITED

Opinion

We have audited the financial statements of Wave Active Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 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 charitable 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, 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 this gives rise to a material misstatement in the financial statements themselves. 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
WAVE ACTIVE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE ACTIVE LIMITED

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.

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, 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 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.

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 and the trustees 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;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 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.

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 board of 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE ACTIVE LIMITED

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



Ashley Phillips (FCCA) (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

17 November 2025

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025**

				31.3.25	31.3.24
		Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
Notes					
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	157,884	-	-	157,884
Charitable activities	4				
Leisure Centre activity		6,796,224	-	1,016,698	7,812,922
Investment income	3	95,801	-	-	95,801
Total		<u>7,049,909</u>	<u>-</u>	<u>1,016,698</u>	<u>8,066,607</u>
EXPENDITURE ON					
Charitable activities	5				
Leisure Centre activity		<u>6,470,827</u>	<u>(78,000)</u>	<u>506,519</u>	<u>6,899,346</u>
NET INCOME		579,082	78,000	510,179	1,167,261
Transfers between funds	21	73,698	-	(73,698)	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		-	(78,000)	-	(78,000)
Net movement in funds		652,780	-	436,481	1,089,261
RECONCILIATION OF FUNDS					
Total funds brought forward		1,481,240	-	534,752	2,015,992
TOTAL FUNDS CARRIED FORWARD		<u>2,134,020</u>	<u>-</u>	<u>971,233</u>	<u>3,105,253</u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2025

					31.3.25	31.3.24
	Notes	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	11	644,629	-	971,233	1,615,862	946,072
Investments	12	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
		644,630	-	971,233	1,615,863	946,073
CURRENT ASSETS						
Stocks	13	28,878	-	-	28,878	28,647
Debtors	14	1,366,488	-	-	1,366,488	685,466
Investments	15	1,786,331	-	-	1,786,331	1,001,000
Cash at bank and in hand		<u>632,962</u>	<u>-</u>	<u>-</u>	<u>632,962</u>	<u>1,447,031</u>
		3,814,659	-	-	3,814,659	3,162,144
CREDITORS						
Amounts falling due within one year	16	<u>(1,768,104)</u>	<u>-</u>	<u>-</u>	<u>(1,768,104)</u>	<u>(1,359,062)</u>
NET CURRENT ASSETS		<u>2,046,555</u>	<u>-</u>	<u>-</u>	<u>2,046,555</u>	<u>1,803,082</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,691,185	-	971,233	3,662,418	2,749,155
CREDITORS						
Amounts falling due after more than one year	17	<u>(557,165)</u>	<u>-</u>	<u>-</u>	<u>(557,165)</u>	<u>(733,163)</u>
NET ASSETS		<u>2,134,020</u>	<u>-</u>	<u>971,233</u>	<u>3,105,253</u>	<u>2,015,992</u>

The notes form part of these financial statements

BALANCE SHEET - continued
31 MARCH 2025

FUNDS	21		
Unrestricted funds		2,134,020	1,481,240
Restricted funds		<u>971,233</u>	<u>534,752</u>
TOTAL FUNDS		<u>3,105,253</u>	<u>2,015,992</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17 November 2025 and were signed on its behalf by:



Mr E W Kihlstrom - Trustee

WAVE ACTIVE LIMITED**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	31.3.25 £	31.3.24 £
Cash flows from operating activities			
Cash generated from operations	1	<u>1,492,260</u>	<u>784,998</u>
Net cash provided by operating activities		<u>1,492,260</u>	<u>784,998</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,248,173)	(162,194)
Sale of tangible fixed assets		1,526	-
Interest received		95,801	44,880
Movement on deposit investments		(785,331)	(250,000)
Loan issued in the year		<u>(205,967)</u>	<u>-</u>
Net cash used in investing activities		<u>(2,142,144)</u>	<u>(367,314)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(164,185)</u>	<u>(153,003)</u>
Net cash used in financing activities		<u>(164,185)</u>	<u>(153,003)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(814,069)	264,681
Cash and cash equivalents at the beginning of the reporting period		<u>1,447,031</u>	<u>1,182,350</u>
Cash and cash equivalents at the end of the reporting period		<u>632,962</u>	<u>1,447,031</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.25 £	31.3.24 £
Net income for the reporting period (as per the Statement of Financial Activities)	1,167,261	334,015
Adjustments for:		
Depreciation charges	345,311	181,307
Loss on disposal of fixed assets	535	-
Interest received	(95,801)	(44,880)
Impairment	231,011	-
Increase in stocks	(231)	(966)
Increase in debtors	(475,055)	(15,825)
Increase in creditors	397,229	361,347
Difference between pension charge and cash contributions	<u>(78,000)</u>	<u>(30,000)</u>
Net cash provided by operations	<u>1,492,260</u>	<u>784,998</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank and in hand	<u>1,447,031</u>	<u>(814,069)</u>	<u>632,962</u>
	<u>1,447,031</u>	<u>(814,069)</u>	<u>632,962</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>1,001,000</u>	<u>785,331</u>	<u>1,786,331</u>
	<u>1,001,000</u>	<u>785,331</u>	<u>1,786,331</u>
Debt			
Debts falling due within 1 year	(164,185)	(11,813)	(175,998)
Debts falling due after 1 year	<u>(733,163)</u>	<u>175,998</u>	<u>(557,165)</u>
	<u>(897,348)</u>	<u>164,185</u>	<u>(733,163)</u>
Total	<u>1,550,683</u>	<u>135,447</u>	<u>1,686,130</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Statement of compliance

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. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Basis of preparing the financial statements

Under Financial Reporting Standard 102 (Retirement benefits) the surplus on the trust's pension schemes is included in the financial statements and the trust's reserves have therefore been increased by the pension surplus creating net assets of £3,105,253 (2024: £2,015,992) at the year end. The management committee are satisfied that the Trust will be able to meet all of its obligations as and when they fall due.

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 and the valuation of the pension deficit in respect of the local government pension scheme.

The present value of the Local Government Pension Scheme defined benefit asset 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 22, will impact the carrying amount of the pension asset. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension asset at 31 March 2025. 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 asset/liability. In determining the value of the pension asset the impact of an asset ceiling has been included to assess for recoverability, in accordance with the requirements of FRS 102.

Incoming resources

Incoming resources from recreation and leisure sites are included in the Statement of Financial Activities when receivable. Income for annual memberships is accounted for over the membership year.

Monthly direct debit subscriptions are recognised on the first day of the period in which they are paid.

Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Incoming resources

Under certain contracts that the charitable company has entered into, the entity is entitled to management fees. Management fees are often paid in equal instalments over the life of the contract. However the entity recognises the management fee in accordance with the expected profile of the operating results and contracted lifecycle maintenance.

Restricted income is included when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Management Fee

The normal service fee is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Legacy Income

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Resources expended

All 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. Resources expended include attributable VAT which cannot be recovered.

Tangible fixed assets

Individual fixed assets relating to leasehold property costing £10,000 or more, or other assets costing £4,000 or more are capitalised at cost. Tangible fixed assets are depreciated on a straight line basis over the remaining term of the lease of the properties or in the case of vehicles, their expected useful life. Depreciation is calculated as follows:

Improvements to property	- Over remaining term of lease
Motor vehicles	- Straight line over 3 years
Plant and machinery	- Over remaining term of lease
Information Technology systems	- Straight line over 5 years

Stocks

Stocks consists of purchased goods for resale and is valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Taxation

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

Unrestricted funds

Unrestricted funds are incoming resources receivable or generated for the objectives of the Charity without further specified purpose and are available as general funds.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Restricted funds

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

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Charity operates one pension scheme providing benefits based on final pensionable pay. Contributions to the defined benefit scheme are charged to the Statement of Financial Activities in order to allocate the cost of providing the pension recognising any actuarial surplus or deficit (where appropriate), over the working lives of the relevant employees as assessed in accordance with the advice of professional qualified actuaries. The assets of the scheme are held separately in independently administered funds. Contributions to the defined contribution pension scheme are charged to the Statement of Financial Activities as incurred. These include contributions to the stakeholder pension scheme and employees' personal pension schemes.

Investments

Investments will be valued at open market as assessed by the Trustees.

Investments in jointly controlled entities

Investments made in jointly controlled entities are measured at cost less any accumulated impairment.

Going Concern

In the wake of the COVID-19 pandemic and the continuing economic impact or the Russian/Ukrainian conflict availability of employee resources and ongoing inflation which puts pressure on the economic health of the consumer and supplier pricing.

Inflation, which is predicted to not significantly reduce below 3.5% in the short to medium term, and the financial pressure brought about by the increase in employer national insurance rates from April 2025 and the continual increase in the minimal wage above inflation have a significant impact on the charity's financial performance, with the most affected areas being:

1. Profitability
2. Pricing structures
3. Going concern consideration
4. Risk and cashflow forecasting

Wave have reacted to the inflationary pressures by maintaining price increases at or below inflation to ease the pressure on members and casual users of the leisure facilities, and by applying increases to employee rates at the prevailing level of inflation subject to the allocation of the minimum wage. In addition, the purchasing process for energy procurement has been undertaken to smoothing price increases in the period to 31 March 2025 and beyond.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

To counter the inflationary pressures Wave will apply the cash reserves as held at 31 March 2025 which ensures that it can meet its debts as they fall due, including repayment of COVID-19 related loans which will provide sustainability in the medium term. Long term sustainability will be gained through the capital purchase plans which provides for ongoing investment in the charity's facilities and income streams.

Growth of the business supports long term sustainability with post balance sheet events that give rise to positive impact on reserves and by mitigating any risk attached to new business opportunities. Management continues to explore new business opportunities with a focus on de-risking the business model.

The business model is under constant review to ensure that it reflects the latest forecast for inflation along with detailed review of energy pricing from flexible forward purchase contracts for gas and electricity. Although uncertainty surrounding inflation and energy pricing past 31 March 2025 remains, the charity is confident that no material uncertainty exists that would but doubt on the charity's ability to continue as a going concern.

2. DONATIONS AND LEGACIES

	31.3.25	31.3.24
	£	£
Donations	14,873	30,193
Legacies	<u>143,011</u>	<u>-</u>
	<u>157,884</u>	<u>30,193</u>

During the year, the Charity received one residuary legacy of £143,011 (2024: £Nil).

3. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Deposit account interest	<u>95,801</u>	<u>44,880</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

4. INCOME FROM CHARITABLE ACTIVITIES

		31.3.25	31.3.24
	Activity	£	£
Leisure centre income	Leisure Centre activity	5,468,527	5,403,771
Management Fee	Leisure Centre activity	496,827	220,793
Joint Use Agreement Income	Leisure Centre activity	408,870	343,374
Grants	Leisure Centre activity	<u>1,438,698</u>	<u>519,666</u>
		<u>7,812,922</u>	<u>6,487,604</u>

Included within grants received are unrestricted grants of £422,000 (2024: £462,000) and restricted grants of £1,016,698 (2024: £57,666).

Grants received, included in the above, are as follows:

	31.3.25	31.3.24
	£	£
Eastbourne Borough Council	422,000	462,000
Adult Social Care Infection Control Fund	-	1,035
Active Sussex Grant	-	4,000
Primary Care PCN	-	20,079
Swimming Pool Support Fund (SHP)	73,698	32,552
Lewes District Council Capital Grant	<u>943,000</u>	<u>-</u>
	<u>1,438,698</u>	<u>519,666</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Leisure Centre activity	<u>2,254,343</u>	<u>4,645,003</u>	<u>6,899,346</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

6. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Leisure Centre activity	<u>4,168,001</u>	<u>456,551</u>	<u>20,451</u>	<u>4,645,003</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.25 £	31.3.24 £
Auditor's remuneration	20,451	15,103
Depreciation - owned assets	345,311	181,307
Hire of plant and machinery	22,626	25,134
Deficit on disposal of fixed assets	<u>535</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

9. STAFF COSTS

	31.3.25 £	31.3.24 £
Wages and salaries	3,533,897	3,171,965
Social security costs	218,369	189,084
Other pension costs	<u>77,076</u>	<u>167,189</u>
	<u>3,829,342</u>	<u>3,528,238</u>

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

	31.3.25	31.3.24
Senior management	12	12
Recreation Sites	105	90
Administration	12	11
Casual Staff	<u>198</u>	<u>206</u>
	<u>327</u>	<u>319</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

9. STAFF COSTS - continued

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

	31.3.25	31.3.24
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£120,001 - £130,000	-	1
£140,001 - £150,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>2</u>

The number of employees earning in excess of £60,000 (for the year and the preceding year) to whom retirement benefits were accruing was as follows:

	2025	2024
Defined benefit schemes	2	2

The total amount of employee remuneration received by key management personnel is £319,290 (2024: £286,886). The Charitable Company considers its key management personnel comprises of the CEO, the Head of Finance and the Head of Commercial Development.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	30,193	-	-	30,193
Charitable activities				
Leisure Centre activity	6,429,938	-	57,666	6,487,604
Investment income	<u>44,880</u>	<u>-</u>	<u>-</u>	<u>44,880</u>
Total	<u>6,505,011</u>	<u>-</u>	<u>57,666</u>	<u>6,562,677</u>
EXPENDITURE ON				
Charitable activities				
Leisure Centre activity	<u>6,113,075</u>	<u>(30,000)</u>	<u>145,587</u>	<u>6,228,662</u>
NET INCOME/(EXPENDITURE)	391,936	30,000	(87,921)	334,015
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>(2,601,000)</u>	<u>-</u>	<u>(2,601,000)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
Net movement in funds	391,936	(2,571,000)	(87,921)	(2,266,985)
RECONCILIATION OF FUNDS				
Total funds brought forward	1,089,304	2,571,000	622,673	4,282,977
TOTAL FUNDS CARRIED FORWARD	<u>1,481,240</u>	<u>-</u>	<u>534,752</u>	<u>2,015,992</u>

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2024	2,179,221	348,231	41,498
Additions	777,186	411,378	225
Disposals	-	-	(6,105)
At 31 March 2025	<u>2,956,407</u>	<u>759,609</u>	<u>35,618</u>
DEPRECIATION			
At 1 April 2024	1,503,783	151,181	13,599
Charge for year	223,940	89,411	4,939
Eliminated on disposal	-	-	(4,044)
Impairments	<u>231,011</u>	<u>-</u>	<u>-</u>
At 31 March 2025	<u>1,958,734</u>	<u>240,592</u>	<u>14,494</u>
NET BOOK VALUE			
At 31 March 2025	<u>997,673</u>	<u>519,017</u>	<u>21,124</u>
At 31 March 2024	<u>675,438</u>	<u>197,050</u>	<u>27,899</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

11. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2024	8,580	239,082	2,816,612
Additions	-	59,384	1,248,173
Disposals	-	-	(6,105)
	<u>8,580</u>	<u>298,466</u>	<u>4,058,680</u>
DEPRECIATION			
At 1 April 2024	8,580	193,397	1,870,540
Charge for year	-	27,021	345,311
Eliminated on disposal	-	-	(4,044)
Impairments	-	-	231,011
	<u>8,580</u>	<u>220,418</u>	<u>2,442,818</u>
NET BOOK VALUE			
At 31 March 2025	<u>-</u>	<u>78,048</u>	<u>1,615,862</u>
At 31 March 2024	<u>-</u>	<u>45,685</u>	<u>946,072</u>

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2024 and 31 March 2025	<u>1</u>
NET BOOK VALUE	
At 31 March 2025	<u>1</u>
At 31 March 2024	<u>1</u>

There were no investment assets outside the UK.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

12. FIXED ASSET INVESTMENTS - continued

Subsidiary

Wave Active Ventures Limited

Registered office: Downs Leisure Centre, Sutton Road, Seaford, East Sussex, BN25 4QW

Nature of business: Dormant

	%		
Class of share:	holding		
Ordinary	100	31.3.25	31.3.24
		£	£
Aggregate capital and reserves		1	1

Joint venture

Hillbrow Health and Wellbeing Limited

Registered office: Downs Leisure Centre, Sutton Road, Seaford, East Sussex, BN25 4QW

Nature of business: Community health and wellbeing

	31.3.25	31.3.24
	£	£
Aggregate capital and reserves	(381,692)	-
Loss for the period/year	<u>(381,692)</u>	<u>-</u>

The Charity has entered into joint control over the entity in partnership, with South Downs Health And Care Limited, incorporated on 15 May 2024. The entity is limited by guarantee without share capital.

13. STOCKS

	31.3.25	31.3.24
	£	£
Stocks	<u>28,878</u>	<u>28,647</u>

14. DEBTORS

	31.3.25	31.3.24
	£	£
Amounts falling due within one year:		
Trade debtors	716,471	255,154
Amounts owed by group undertakings	750	750
Amounts owed by participating interests	205,967	-
Other debtors	35,598	29,127
Prepayments and accrued income	<u>349,652</u>	<u>342,385</u>
	<u>1,308,438</u>	<u>627,416</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

14. DEBTORS - continued

	31.3.25 £	31.3.24 £
Amounts falling due after more than one year:		
Other debtors	<u>58,050</u>	<u>58,050</u>
Aggregate amounts	<u>1,366,488</u>	<u>685,466</u>

15. CURRENT ASSET INVESTMENTS

	31.3.25 £	31.3.24 £
Unlisted investments	<u>1,786,331</u>	<u>1,001,000</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25 £	31.3.24 £
Other loans (see note 18)	175,998	164,185
Trade creditors	761,210	291,501
Social security and other taxes	94,921	130,322
Other creditors	22,777	103,872
Accruals and deferred income	<u>713,198</u>	<u>669,182</u>
	<u>1,768,104</u>	<u>1,359,062</u>

Deferred Income:

	31.3.25 £	31.3.24 £
Deferred income at 1 April 2024	199,370	172,606
Released from previous years	(199,370)	(172,606)
Resources deferred in the year	<u>204,553</u>	<u>199,370</u>
Deferred income as at 31 March 2025	<u>204,553</u>	<u>199,370</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

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

	31.3.25	31.3.24
	£	£
Other loans (see note 18)	<u>557,165</u>	<u>733,163</u>

Social Investment Business FM Limited hold a fixed charge and a floating charge covering all the property or undertaking of the Charitable Company.

The Charitable Company received an unsecured loan of £500,000 from Lewes District Council in 2020/21. The loan was issued at an interest rate of 2.75% which shall accrue daily from the draw down of the loan. The first payment of interest was due on the last business day of March 2023.

The Charitable Company secured a Coronavirus Business Interruption Loan of £650,000 repayable over 5 years. Interest is charged at 7.0%.

18. LOANS

An analysis of the maturity of loans is given below:

	31.3.25	31.3.24
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>175,998</u>	<u>164,185</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>57,165</u>	<u>175,998</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>-</u>	<u>57,165</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments:		
Other loans more 5yrs non-inst	<u>500,000</u>	<u>500,000</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.25	31.3.24
	£	£
Within one year	15,253	3,169
Between one and five years	<u>50,046</u>	<u>7,161</u>
	<u>65,299</u>	<u>10,330</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

20. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.25	31.3.24
	£	£
CBILS Loan	<u>233,163</u>	<u>397,348</u>

CBILS Loan

The shareholders of Social Investment Business FM Limited hold a floating and fixed charge of the assets of Wave Active Limited due to a loan given in 2021.

21. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	1,481,240	579,082	(6,565)	2,053,757
Future LGPS Pension Liabilities	<u>-</u>	<u>-</u>	<u>80,263</u>	<u>80,263</u>
	1,481,240	579,082	73,698	2,134,020
Restricted funds				
Ancient History Centre	21,047	(3,463)	-	17,584
Newhaven Fort Recovery	513,705	(315,510)	-	198,195
Swimming Pool Support Fund (SHP)	-	73,698	(73,698)	-
Lewes District Council Capital grant	<u>-</u>	<u>755,454</u>	<u>-</u>	<u>755,454</u>
	<u>534,752</u>	<u>510,179</u>	<u>(73,698)</u>	<u>971,233</u>
TOTAL FUNDS	<u>2,015,992</u>	<u>1,089,261</u>	<u>-</u>	<u>3,105,253</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

21. MOVEMENT IN FUNDS - continued

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	7,049,909	(6,470,827)	-	579,082
FRS 102 Pension Adjustment				
Un-restricted	-	78,000	(78,000)	-
	7,049,909	(6,392,827)	(78,000)	579,082
Restricted funds				
Ancient History Centre	-	(3,463)	-	(3,463)
Newhaven Fort Recovery	-	(315,510)	-	(315,510)
Swimming Pool Support Fund (SHP)	73,698	-	-	73,698
Lewes District Council Capital grant	943,000	(187,546)	-	755,454
	1,016,698	(506,519)	-	510,179
TOTAL FUNDS	<u>8,066,607</u>	<u>(6,899,346)</u>	<u>(78,000)</u>	<u>1,089,261</u>

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	1,089,304	391,936	1,481,240
FRS 102 Pension Adjustment			
Un-restricted	2,571,000	(2,571,000)	-
	3,660,304	(2,179,064)	1,481,240
Restricted funds			
Ancient History Centre	24,508	(3,461)	21,047
Newhaven Fort Recovery	598,165	(84,460)	513,705
	622,673	(87,921)	534,752
TOTAL FUNDS	<u>4,282,977</u>	<u>(2,266,985)</u>	<u>2,015,992</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

21. MOVEMENT IN FUNDS - continued

Comparative 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	6,505,011	(6,113,075)	-	391,936
FRS 102 Pension Adjustment				
Un-restricted	-	30,000	(2,601,000)	(2,571,000)
	6,505,011	(6,083,075)	(2,601,000)	(2,179,064)
Restricted funds				
Ancient History Centre	-	(3,461)	-	(3,461)
Newhaven Fort Recovery	-	(84,460)	-	(84,460)
Adult Social Care Infection Control Fund	1,035	(1,035)	-	-
Active Sussex (SSC & SHCC)	4,000	(4,000)	-	-
Primary Care PCN	20,079	(20,079)	-	-
Swimming Pool Support Fund (SHP)	32,552	(32,552)	-	-
	57,666	(145,587)	-	(87,921)
TOTAL FUNDS	<u>6,562,677</u>	<u>(6,228,662)</u>	<u>(2,601,000)</u>	<u>(2,266,985)</u>

Newhaven Fort - Ancient History Centre

The charity received £55,000 via East Sussex County Council to transform an exhibition in one of the casements into a new exhibition/learning resource. This space now tells the story of how Newhaven and surrounding areas were inhabited during pre-Roman times, and offers events to the public. The funding was capitalised in 2017/18 and written down over the remaining period of the lease for the site with Lewes District Council. As of 31st March 2025 the restrictive fund balance was £17,584 (2024: £21,047).

Newhaven Fort - Heritage Lottery Fund

Awarded by the Department of Digital, Cultural, Media and Sports, administered by the Heritage Lottery Fund. A total of £850,000 was awarded specifically for Newhaven Fort to enable it to relaunch in spring 2021. Overall purpose of the grant was to create an on-site visitor experience which complies with Government COVID-19 safe working protocols. Exhibition spaces were reviewed, adapted and renewed along with ticketing, tea room and shop to enable social distancing. The use of 'virtual' and 'digital' technology was applied to improve the visitor experience both on and off site. The grant was deemed to be a restrictive capital nature with £766k being treated as Fixed Asset additions with the majority of spend in 2021/22 related to physical building works and interactive audio visual displays. During the year to 31st March 2025 there was expenditure of £315,510 leaving a restricted fund balance of £198,195 (2024: £513,705). The fund was fully expended in recognition of the new investment from the New Towns Fund that transformed the site from a museum attraction into an award winning cultural attraction. This investment added to the works carried out 2021/22 with the lottery funding which focused mainly on sustaining a site of historical interest post the pandemic.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

21. MOVEMENT IN FUNDS - continued

Seahaven Swim and Fitness Centre - Swimming Pool Support Fund

A total of £73,698 was awarded by the fund to invest in fixed assets that reduced energy consumption at Seahaven Swim and Fitness Centre. Following the investment of funds into relevant fixed assets, as per the grant restriction, the funds were no longer considered to be restricted once the asset was brought into use to support the charity's unrestricted activities. Therefore, the fund has been transferred to unrestricted general funds and the applicable assets depreciated therein.

Lewes District - Capital Grant

Lewes District Council awarded a grant of £943,000 for the improvement of Council owned properties managed by Wave Active for the refurbishment of the properties and upgrading plant and equipment for the purpose of efficiencies including reducing energy consumption. The total value of the grant has been recognised as Fixed Assets with matching expenditure of £187,546 being depreciation of the assets leaving a restricted fund balance of £755,454 at 31st March 2025.

Future LGPS Pension Liabilities - Designated Fund

The charity has designated unrestricted funds of £80,263 for the purpose of funding future LGPS pension liabilities that may arise should the fund fall into deficit in the future.

Transfers between funds

A transfer of £73,698 is shown from restricted funds to unrestricted funds during the year. The transfer relates to grant income that was initially restricted to the purchase of fixed assets to improve energy efficiency. Following the investment of funds into relevant fixed assets, as per the grant restriction, the funds were no longer considered to be restricted once the asset was brought into use to support the charity's unrestricted activities.

22. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit scheme in the UK. The pension cost and provision for the year are based on the advice of a professionally qualified actuary the most recent full actuarial valuation is dated 31 March 2022. A roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension liability at 31 March 2025. 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.

Lewes District Council has given a legal undertaking guaranteeing that if any sums are due and owing to the pension scheme by the Charity pursuant to the terms of the pension admissions agreement between the Charity and Lewes District Council dated 31 March 2006, that Lewes District Council will make good any deficit in the event of the liquidation or winding up of the charitable company. As this indemnity represents a contingent asset it has not been reflected in the financial statements.

At 31 March 2025 the scheme was valued with a £3,959,000 surplus. This surplus is not recoverable by the scheme employer and therefore a nil asset/liability is recognised in these accounts with an asset ceiling being applied.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Current service cost	104,000	104,000
Net interest from net defined benefit asset/liability	(153,000)	(115,000)
Past service cost	-	-
	<u>(49,000)</u>	<u>(11,000)</u>
Actual return on plan assets	<u>520,000</u>	<u>472,000</u>

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

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Opening defined benefit obligation	7,461,000	7,970,000
Current service cost	104,000	104,000
Contributions by scheme participants	43,000	41,000
Interest cost	367,000	357,000
Benefits paid	(157,000)	(228,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(17,000)	(81,000)
Actuarial (gains)/losses from changes in financial assumptions	(1,111,000)	(201,000)
Obligations other remeasurement	<u>(14,000)</u>	<u>23,000</u>
	<u>6,676,000</u>	<u>7,985,000</u>
Cessation of scheme	-	<u>(524,000)</u>
	<u>6,676,000</u>	<u>7,461,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Opening fair value of scheme assets	10,534,000	10,541,000
Contributions by employer	38,000	27,000
Contributions by scheme participants	43,000	41,000
Expected return	520,000	472,000
Benefits paid	(157,000)	(228,000)
Admin expenses	(9,000)	(8,000)
Remeasurements:		
Return on plan assets (excluding interest income)	(334,000)	316,000
Assets other remeasurement	-	15,000
	<u>10,635,000</u>	<u>11,176,000</u>
Asset Ceiling	(3,959,000)	(3,191,000)
Cessation of scheme	-	(524,000)
	<u><u>6,676,000</u></u>	<u><u>7,461,000</u></u>

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

	Defined benefit pension plans	
	31.3.25	31.3.24
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	17,000	81,000
Actuarial (gains)/losses from changes in financial assumptions	1,111,000	201,000
Obligations other remeasurement	14,000	(23,000)
Return on plan assets (excluding interest income)	(334,000)	316,000
Assets other remeasurement	-	15,000
	<u><u>808,000</u></u>	<u><u>590,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

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	
	31.3.25	31.3.24
Equities	65.00%	69.00%
Bonds	17.50%	15.00%
Property	15.00%	15.00%
Cash	2.50%	1.00%
	<u>100.00%</u>	<u>100.00%</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.3.25	31.3.24
Discount rate	5.85%	4.95%
Future salary increases	2.90%	2.85%
Future pension increases	2.90%	2.85%

Amounts for the current and previous four periods are as follows:

	2025	2024	2023	2022	2021
Defined benefit pension plans					
Defined benefit obligation	(6,676,000)	(7,461,000)	(7,970,000)	(11,799,000)	(12,133,000)
Fair value of scheme assets	6,676,000	7,461,000	10,541,000	11,079,000	10,016,000
(Deficit)surplus	-	-	2,571,000	(720,000)	(2,117,000)

Sensitivity Analysis

Changes in assumptions at 31 March 2025	Approx. % Increase to Employer Liability	Approximate Monetary Amount (£)
0.1% decrease in Real Discount Rate	1.72%	115,000
0.1% increase in Salary Increase Rate	0.09%	6,000
0.1% increase in the Pension Increase Rate	1.63%	109,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

23. CAPITAL COMMITMENTS

As at 31 March 2025 there was capital expenditure authorised by the senior leadership team but not contracted for of £68,491 (2024: £32,295).

24. RELATED PARTY DISCLOSURES

The Charity has a very close relationship with Lewes District Council, however it is not considered to be a related party due to the control criteria not being met.

The Charity engaged in transactions with an entity in which it has joint control over, Hillbrow Health and Wellbeing Limited which was incorporated on 15 May 2024. The Charity received central services income of £84,354, interest receivable of £12,954 and made £2,604 of payments. The Charity also issued working capital to the entity via a loan draw down of £200,000, with the outstanding balance owed to the Charity at the year-end of £205,967, including unpaid interest of £5,967. The operational net debtor owed to the charity at the year-end was £54,594.

A member of the Key Management Personnel, Neil Harrison, had a family connection with several employees at Wave Active Limited. The employees were remunerated during 2024/25 as follows:

	31.3.25	31.3.24
	£	£
S Harrison	2,746	3,137
A Harrison	3,521	3,865
J Harrison	470	1,002
M Harrison	-	181

Another member of the Key Management Personnel, Deborah Pollard, had a family connection with an employee at Wave Active Limited. The employee was remunerated during 2024/25 as follows:

	31.3.25	31.3.24
	£	£
T Witts	7,525	5,004

One final member of the Key Management Personnel, Duncan Kerr, had a family connection with an employee at Wave Active Limited. The employee was remunerated during 2024/25 as follows:

	31.3.25	31.3.24
	£	£
E Clarke	519	499

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

25. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party. The Board of Trustees and the management team are responsible for the strategic and operational decisions of the charity.

WAVE ACTIVE LIMITED

England & Wales - Charity number 1113486

Accounts

REGISTERED COMPANY NUMBER: 05621359 (England and Wales)
REGISTERED CHARITY NUMBER: 1113486

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
WAVE ACTIVE LIMITED
T/A WAVE ACTIVE

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

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FOR THE YEAR ENDED 31 MARCH 2024

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. 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).

OBJECTIVES AND ACTIVITIES

Objects of the Charity

The Objects of the Charity per the Memorandum of Association are:

- To provide or assist in the provision of facilities and services for recreation, sport, culture or other leisure time occupations and the interest of social welfare, such facilities being provided to the public at large save that special facilities maybe be provided for persons who, by virtue of their youth, age, infirmity, disability, poverty or social or economic circumstances may have need for special facilities or services.
- To promote community participation in healthy recreation.
- To advance the education of the general public on the benefits of active lifestyles, and in particular the value of physical activity for young people.
- Any other charitable activity beneficial to the local community consistent with the above objectives.

Public benefit

The Trustees confirm that they have complied with the duties in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on 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 Charity provides leisure services to the residents primarily, but not restricted to the Lewes District and Eastbourne Borough areas of East Sussex.

The Charity provides leisure and recreational services at the following facilities:

- Downs Leisure Centre, Seaford
- Lewes Leisure Centre, Lewes
- Peacehaven Leisure Centre, Peacehaven
- Seahaven Swim and Fitness Centre, Newhaven
- Seaford Head Swimming Pool
- Ringmer Swimming Pool (closed due to extensive maintenance issues)
- Shakespeare Hall, Newhaven
- Newhaven Fort, Newhaven (closed March 2024, reopen February 2025 for extensive property maintenance)
- Hampden Park Sports Centre, Eastbourne
- Eastbourne Sports Park
- Shinewater Sports Centre, Eastbourne
- Motcombe Swimming Pool, Eastbourne (closed since April 2020 due to extensive maintenance issues)
- Regency Park Community Centre, Eastbourne
- Sovereign Harbour Community Centre, Eastbourne (due to transfer to community group 1st October 2024)
- Skyhigh Trampoline Park
- Saltdean Lido (commenced 1st May 2023)

Facilities provided include; gym and fitness suites, swimming pools, sports halls, squash courts, soft play and meeting rooms at various locations. A varied programme of holiday scheme activities and special events are also provided. The Charity contributes to the health and wellbeing of the population and agrees an annual series of targets with the local authority that demonstrates its reach and effectiveness.

The Charity offers a wide range of membership options and also allows customers to use the facilities on a pay and play basis. There are special discounted memberships available specifically for juniors, students and seniors and for couples.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRATEGIC REPORT

Achievement and performance

Charitable activities

The Charity completed its 18th year of trading after its transition from a Local Authority controlled service to a Charitable Company in 2006.

Creating a new Wave of Active Health

Whilst the Charity's "Creating a new Wave of Active Health" Strategy continues to develop, significant progress has been achieved with actions directly aligned to the Charity's purpose and vision now split across two distinct brands: "Wave Active" and "Wave Active Health" each with their own supporting aim, to provide greater focus, traction and impact.

The following table summarises the shared elements of both brands and those individual elements:

	Wave Active	Wave Active Health
Common Belief	We believe in the power of physical activity to improve people's physical, mental and emotional health	
Purpose	<i>"Inspiring Active Lifestyles"</i>	
Vision	<i>"To be at the heart of the improvement of health and wellbeing in our community."</i>	
Aim	<i>"Inspiring and sustaining an active life."</i>	<i>"Empowering independent health and well-being."</i>
Key Activities	Developing and operating high-quality, sustainable facilities, activities and programmes for the general public	Designing and delivering behavioural change and activity programmes and pathways that help those suffering from injury, illness and inactivity back to physical and mental health

As highlighted in the prior year's report, The Charity had in place the initial resources to develop and deliver the programmes, but with the additional focus on stakeholder engagement it was identified that the Charity would need to strengthen the existing team.

Staffing

The organisational restructure implemented in August and October of 2020 cut across every department, supporting the key objective to reduce the financial burden and protect cash whilst maximising revenue opportunities. That approach has remained in place to ensure staff costs as a percentage of income remains at circa 50%, however as the Charity seeks to evolve, embracing the aims of both Wave Active and Wave Active Health, new team members are being recruited to support growth. Principally, this has been under the new brand of Wave Active Health, with the recruitment of a new Head of Wave Active Health, Health Coach and Health Practitioners. It is anticipated that this team will be further enhanced soon, with the recruitment of a Care Navigator, funding dependent, ensuring Health Practitioners can focus on delivery as opposed to the additional but required and essential functions of care navigating and administration.

The recruitment challenges experience in prior years have improved but remain difficult, particularly with a number of front-line roles, for example, Lifeguards, Swim Teachers, Duty Managers and Fitness Instructors with many remaining vacant throughout the year, placing additional pressure on staff.

Structuring for success

It has been identified that the Charity's dual focus will, over time, require capabilities in a number of areas, including:

1. Leading a dual-purpose organisation, requiring the sound operation and development of core activities and the development and delivery of evidence-base activity programmes.
2. Engaging and managing key stakeholders in primary health care.
3. Potentially recruiting and managing health professionals.
4. Evidencing and reporting health and social impact.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Achievement and performance

Structuring for success

In line with Wave Active Key Activities, the Charity continues to successfully develop and operate high-quality, sustainable facilities, activities and programmes for the general public. In addition, significant steps have been taken with the recruitment of key team members under the Wave Active Health brand. Not only does this support with the development of health interventions and related programmes of activity but also supports with the engagement and management of key stakeholders within primary health care. Three new health professionals have been recruited directly from Primary Care Networks, one of whom has been appointed as the new Head of Wave Active Health. This team has been task with reviewing and updating the "Creating a new Wave of Active Health" Strategy and to create an associated Development Project Plan. This development plan is both, in production and in action, covering a number of workstreams, including:

- Service Offer (Design and Implement).
- Data Analytics, Reporting and Research.
- Marketing and Communication.
- Stakeholder Engagement.
- Governance
- Project Evaluation

Consequently, as the Charity enters Q3 the number of Wave Active Health interventions/programmes of activity will increase by 50%. In addition, three new funding applications with a total value of circa £600,000 have been submitted to support new health intervention projects supporting those with health conditions, illness or injury.

Finance

For the 12 months to March 2024 a net income of £304,015 before pension adjustments was generated compared to the forecasted loss of £(87,532) giving rise to a positive variance of £391,547; This compares to an approved budgeted loss of £(142,970). With the approval from Eastbourne Borough Council Cabinet to transfer the Sovereign Centre into the Charity, this site was included within the original Budget but due to delays was later excluded from the Forecast.

The key positive income budget variance of £444,103 arose from Bookings, Junior and Softplay, Food & Beverage and Retail, and Grant and Other Income of which income not forecasted was earned from the management fee for Saltdean Lido and a grant awarded for Seaford Head Pool from the Sport England Swimming Pool Support Fund.

Negative income budget variances arose from Newhaven Fort Visitors and Swim School/Wetside.

With reference to Expenditure, excluding depreciation and interest payable, there was a small negative variance of £(84,948).

A strong performance for the year despite inflationary pressures providing a base for reinvestment in 2024/25 to support ongoing growth of the Charity.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRATEGIC REPORT**Achievement and performance****Funding and Investment**

Either through utilisation of the Charity's funds, successful grant and loan applications, or in partnership with key stakeholders, e.g. Lewes District Council and Eastbourne Borough Council, a number of projects have been successfully implemented including:

In addition a number of larger projects remain live, all of which will be completed within the 2024/25 financial year:

Site	Project	Purpose	2024 Update
Peacehaven Leisure Centre	Create extension to current gym.	Revenue Generation Customer Satisfaction	Work is due to commence in October 2024 to be completed in advance of January 2025.
Seahaven Leisure Centre	Health Hub development incorporating a complete refurbishment of the current centre, extension and introduction of new facilities and activities aligned to the new strategy, empowering independent health and wellbeing for those with health conditions.	Revenue Generation Customer Satisfaction	LDC Cabinet decision for project to proceed approved July 2024. Works due to commence October 2024 for completion calendar year end 2025/early 2026.
Newhaven Fort	Improve visitor experience through a series of projects linked to: - Health, Safety and Environment - Visitor Attractions - Restoration	Increase Visitor Numbers Revenue Generation Improve Visitor Experience	Towns Fund Project in Progress due to complete and re-open February 2025.
Downs Leisure Centre	Health Hub	To support the new Strategy, empowering independent health and wellbeing for those with health conditions.	Funds in place, planning for project in progress.

On the back of being awarded a circa £1,000,000 grant from LDC a number of additional projects will also be implemented during the 2024/25 financial year, including:

Site/s	Project/s	Purpose
Lewes Leisure Centre Seahaven Leisure Centre	Pool Covers	Reduce energy costs
Lewes Leisure Centre Downs Leisure Centre Seahaven Leisure Centre	Green Technology	Reduce energy costs
Lewes Leisure Centre	Pool lights and external floodlights changed to LED	Reduce energy costs
Lewes Leisure Centre Downs Leisure Centre	Reception refurbishment	Revenue protection
Lewes Leisure Centre	Wet Change refurbishment	Revenue protection
Lewes Leisure Centre	Turnstiles	Revenue protection
Downs Leisure Centre	3G Flood Lights	Reduce energy costs
Lewes Leisure Centre	Replace corridor flooring	Revenue protection
Lewes Leisure Centre	Replace lighting in foyer	Reduce energy costs
Downs Leisure Centre	Refurbish Studio 3	Grow and protect revenue
Lewes Leisure Centre Seahaven Leisure Centre	E15 Pool Circulation pumps	Reduce energy costs

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Achievement and performance

Funding and Investment

In addition, following the University of Brighton's decision to exit Eastbourne and procure a new freehold owner of their sports centre in Meads, the Charity entered into a new partnership with South Downs Health and Care GP Federation to bid for the site. Following a formal procurement process, on 26th March 2024 the new partnership was selected as preferred bidder and on 1st August 2024 "Hillbrow Health and Wellbeing" opened to the public.

The Charity has agreed to invest in Hillbrow Health and Wellbeing which has a focus on person-centred care, and positive outcomes for physical, mental and emotional wellbeing, achieved through effective treatment, including encouraging participation in relevant and appropriate physical activity. The goal is to change the way clinical and leisure health professionals work together on a daily basis to improve the health of the local community.

At this early stage, Hillbrow Health and Wellbeing has focused on the smooth transition from the University of Brighton and engage a wider community to access facilities and activities on offer. However, as the year progresses, development plans will be formulated to empower the local community to live healthier and happier lives by dynamically blending healthcare and preventative health interventions. As these plans develop, the Charity will seek to invest in the site to support growth ambitions, and further the health impact of the local community.

In addition, the Charity will continue to explore new relevant contract and investment opportunities aligned to the Charity's Purpose, Vision and Charitable Objectives as they arise.

Community Health

The Charity has been at the heart of community health since 2006 and has well-established and respected partnerships with several Public Health Partners including East Sussex Public Health, Integrated Care Board, Primary Care Networks, and the NHS in relation to the delivery of commissioned services supporting those in greatest need with physical and mental health conditions.

The programme of activities launched in May 2023 included a range of health specific interventions including:

- Chair Based Exercise
A seated exercise class focusing on exercises that improve strength, mobility and confidence.
- Move and Mobilise
A group session comprising strength and balance to specifically aid with the prevention of falls.
- Referral Gym – Functional Training
Supporting those unfamiliar to the gym, seeking adaptive exercise to support health conditions.
- Referral Yoga
Supporting those unfamiliar to Yoga with health conditions.
- Referral Spin
Supporting those unfamiliar to Spin with health conditions.
- Referral Pilates
Supporting those unfamiliar to Pilates with health conditions.

Over 13,000 participations specifically relating to the Charity's health intervention activities were achieved and, as the programme expands through the course of the 2024/25 year, more resource will be required directly aligned to delivery supporting more individuals to gain, regain or maintain health, fitness, and wellbeing.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Achievement and performance

Seaford Primary Care Network (PCN) Hypertension Pilot

During the course of the year the Charity establish a new, formal partnership with the Seaford PCN to deliver a new project focused on the health condition of Hypertension. The original project outline, agreed in October 2023 was to enable people referred by Seaford PCN with the common health condition of hypertension, to access support which would result in an identified positive health outcome.

Patients, identified by Seaford Medical Practice and Old School Surgery in Seaford, were directed to the Charity to take part in a 12-week intervention to prevent and/or improve their health outcomes. The project ran from 1st November 2023 to 31st March 2024 and included a free 12-week membership to enable participants to engage in a range of activity beyond the weekly sessions.

In general, the 11 participants completing the 12-week program all showed a positive outcome in two areas of either physical outcomes, increase in activity or/and emotional wellbeing of which 10 showed improvements in either their weight and BMI or Body Fat percentage and, on the back of the success of this project a further cohort of 20 participants was identified, completing the course in July 2024. A third cohort will commence in November 2024.

Plan for Future Periods

The Charity has been successfully delivering on its Inspiring Active Lifestyles purpose and, over the past 12 months has continued to make positive progress against its vision; "to be at the heart of the improvement of health and wellbeing in the community".

The new "Creating a new Wave of Active Health" Strategy has two key activities:

1. Developing and operating high-quality, sustainable facilities, activities and programmes for the general public.
2. Designing and delivering behavioural change and activity programmes and pathways that help those suffering from injury, illness and inactivity back to physical and mental health.

As the Charity enters its 19th year of operation, these two activities will be the focal point, ensuring the Charity remains financial sustainable whilst ensuring impact on the health of the local community.

There are a number of key projects, highlighted earlier which will be delivered during the course of the 2024/25 financial year and, as the Charity's Active Health Team build's momentum, new partnership, funding opportunities and programmes of activity will be delivered ensuring the Charity is recognised as a key partner to primary health care as new, neighbourhood teams are established.

Data will undoubtedly be key in demonstrating the Charity's health impact, as such, priority must be given to working in partnership with partners to design and implement effective data (hard and soft) capture system to provide intelligence and insight to support the evolution of the team, the framework and the programmes.

In addition, in order to effectively communicate impact, the Charity will be required to design accurate, efficient and interesting reporting mechanisms.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Achievement and performance

Fundraising activities

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 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.

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

- The Trustees will have regard to the Charity Commission's 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 stated mission and 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.

Financial review

Financial position

The results for this eighteenth year continue to demonstrate the value of working to an approved budget that reflects the Company's strategic plan.

Incoming resources exceeded expended resources by £304,015 (2023: £329,370) before pension adjustments. Incoming resources includes £57,666 of restricted funds (2023: £9,840). A total of £145,587 (2023: £97,761) restricted funds were matched with expenditure in 2023/24.

The principal incoming resources arising from operations totalling £6,487,604 (2023: £6,301,792) were from grant from Eastbourne Borough Council, joint user arrangements, membership fees, swimming and other health and fitness activities, and a service fee from Lewes District Council in respect of Newhaven Fort.

Expended resources of £6,228,662 (2023: £6,129,165) includes £87,921 (2023: £87,921) in relation to the restricted incoming resources brought forward from earlier years, this restricted operational expenditure being depreciation. A further £57,666 of restricted expenditure was incurred in the year against restricted revenue funding.

Restricted funds carried forward at 31 March 2024 were £534,754 (2023: £622,675) relating to fixed assets which are being depreciated over their useful economic lives.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Financial review

Investment powers

Under the Memorandum and Articles of Association, the Charity has the power to invest any monies not immediately required for its objects in or upon such investments, securities or property as may be thought fit.

The Charity having regards to the liquidity requirements of operating the centres and to the reserves policy has operated a policy of keeping available funds in interest bearing Public Sector Reserve Accounts. During 2023/24, the Charity sought to maximise the interest earning potential by investing £1,001,000 (2023: £751,000) of available funds with the Nationwide Building Society, £503,084 (2023: £500,941) with Virgin Money and £503,563 (2023: £501,353) with the Cooperative Bank. Subsequent to the year-end £250,000 was moved from the Cooperative Bank current account to Nationwide Building Society and £150,000 was moved out of the Co-op Instant Access deposit account to fund an Investment loan in Hillbrow Health and Wellbeing Limited.

Borrowing powers

Under the Memorandum and Articles of Association, the Charity has the power to borrow and raise money for the objects of the Company on such terms and conditions and on such security as may be thought fit. During the year to 31 March 2021 Charity secured a loan of £500,000 from Lewes District Council to provide working capital during closure and a CBILS loan of £650,000. The £500,000 loan is due for repayment in full after 10 years and the CBILs is due to be repaid in full in 48 months from August 2022. In the year to 31 March 2024 the Charity repaid £186,781 of the CBILs loan of which £33,778 was interest payable and £153,003 repayment of principal, along with £13,925 interest only to Lewes District Council.

Reserves policy

The Charity, prior to the COVID-19 pandemic, had accumulated a favourable cash flow position. It also receives some income such as service fees and grants in advance of its expenditure. The Trustees, however, recognise the need for a buffer of financial reserves that will protect the Charitable Company from the possibility of any adverse unforeseen circumstances. These include a number of specific risks that have been identified in the Charitable Company's Risk Register. The key financial risk is access to cash, which is determined by the level, timing and certainty of the Charity's income and the phasing and control of expenditure. The Charity's budget process identifies peaks and troughs in cash flow and it is deemed essential that sufficient funds are available at all points in the cycle.

Trustees have examined the requirement for any useable reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. In defining the reserves policy Trustees have been mindful of the requirements within the following areas:-

- Insurance
- IT strategy
- Pension Liability
- Business Development and Investment Fund.

The Trustees have assessed that the target free reserves of the Charity should be £1.5million, which is based on three months expenditure cover. The current level of free reserves is £1,481,238 (2023: £1,089,302). Budgets will be set in future years with the Reserves Policy in mind.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Financial review

Pension and Tax Reserve

Within Unrestricted Reserves the Charity has a pension scheme asset of £3,191,000 (2023: £2,571,000 asset) as of 31 March 2024; however, an asset ceiling has been applied to the same value and therefore there is a £Nil asset within the financial statements. In the long term, the cash flow impact of having a pension scheme asset is that employer contributions may reduce to reduce the asset. The Charity will always pay the employer contribution rates set by the pension scheme actuaries which as of 31 March 2024 for 3 years will be 7.1% per an independent scheme valuation.

Significant post year end events

The Trustees report that the transfer of the provision of health and leisure activities of The Sovereign Centre from Eastbourne Borough Council to Wave Active Limited has been delayed until 2025, this transfer was ratified by Cabinet of the Council 26th July 2023. The Charity approved an Investment Loan of £500,000 to Hillbrow Health and Wellbeing Limited, a company limited by guarantee of which 50% is guaranteed by Wave Active Limited.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Appointment of Trustees

As set out in the Articles of Association the Board shall consist of at least six and not more than nine Trustees all of which shall be required to become a member of the Charity.

The Board of Trustees shall consist of:

- A maximum of two Local Authority Trustees
- One Employee Trustee (if determined by the Charity)
- One individual appointed to be the Chief Executive Officer Trustee (if determined by the Charity)
- No less than four or more than nine other individuals appointed as Community Trustees.

In exercising their powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Trustees, both the members and Trustees shall seek to ensure that the Board is representative of those with an interest in the facilities and services offered by the Charity and also comprises persons with a broad range of skills and who are likely to contribute to the Charity's success.

The Local Authority Trustee/s shall be nominated by Lewes District Council to serve for such period of office as shall be confirmed by Lewes District Council.

On the back of the Employee Trustee and CEO Trustee resigning, The Charity determined that replacements would not be appointed.

At the first Annual General Meeting after the Charity has commenced its activities all of the Trustees shall retire but will be eligible for reappointment without requirement for nomination. At each Annual General Meeting held thereafter, one third of the Community Trustees must retire, those longest in office retiring first and the choice between any equal service being made by drawing lots.

No Trustee shall serve on the Board for more than nine years in total excluding the period between the commencement of activities and the first Annual General Meeting.

All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses redeemed by the Charity are set out in note 8 to the accounts.

Trustee Induction and Training

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.

In 2023/24, internal training for Trustees comprised the following:

- Expression of Interest pack including application forms, details of the work of the Charity and the role and expectations of Trustees
- Selection meetings with the CEO and Chair of Trustees
- Invitation to attend a Board meeting prior to becoming a Trustee
- Visits to the facilities and meeting key staff
- Invitation to attend the meetings of Sub Groups
- On-going training in legislation and responsibilities of Trustees

External training is arranged through the Head of People and Culture. Courses relevant and likely to be of interest to Trustees in enhancing their own performance and knowledge are identified through links with local voluntary service organisations, AVECO, the Charity Commission and other Charity Training web sites.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT**Organisation**

The Board of Trustees administers the Charity. The Board meets every quarter and there are three Sub Groups covering Finance and Audit, Governance and Health and Safety which meet regularly.

On a biennial basis, Trustees attend a strategic away day to review performance, re assess market conditions and prepare a tactical plan for the future. In keeping with the time frames a Trustee Away Day was held on 15 January 2022.

In addition to training, one new Trustee was inducted to the Board. Figure 1 highlights the core skill sets and experiences of the current Board:

Figure 1

Serving Board Members	Occupation	Core Skills	Gender
Eric Khilstrom (Chair)	Chairman/Trustee	Strategy, Financial Management, National Governing Bodies, Healthcare Services, Social/Care Services	Male
Mark Beaumont	Founder/MD/ Entrepreneur	Business start-up and new product development	Male
Phil Clarke	Retired Director Tesco Stores Ltd	Private sector - retail and service management	Male
Mike Price	Retired Head Teacher Barnados	Public and Charity sector - Special Needs Education	Male
Kevin Ellis	Retired Actuary & Private Maths Tutor	Strategy, Financial Management, Accountancy, Treasury Management, Governance, Training & Development	Male
Marcel Miller	Treasurer	Financial Management, Accountancy, Banking, Treasury Management, Insurance, Pensions	Male
Cllr Laurence O'Connor	Dept for Work & Pensions	Working with Local Authorities	Male
Cat Harwood-Smith	Charity Senior Leader	Strategy, Community Relations, Local Government, Working with Local Authorities, Healthcare Services	Female
Cllr Joanne Saunders	Sound Designer	Media	Female
Cllr Charlotte Keenan	District Councillor	Financial Management, Local Government & Human Resources	Female

David Hearn was also retained as a Co-opted Trustee and continues to support The Trust as Chairman of the Health and Safety Sub Group during the year and at the AGM as held 18th November 2024 he resigned after 15 years serving as a Trustee. In addition Mark Beaumont and Mike Price resigned from the Board, both having played key roles supporting the Finance and Audit, and the Governance sub groups respectively and brought individual insights to the Board.

Cllr Joanne Saunders resigned in February as one of the Local Authority Trustees and was replaced by Cllr Charlotte Keenan.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT**Organisation**

The total number of Trustees currently on the Board stands at nine.

The CEO and Board Members have agreed specific work areas for the Board, and this is drawn up in Matters Reserved for the Board. Each of the Sub Groups have specific Terms of Reference for their areas of responsibility and this is reviewed annually. A Chair for the Board is elected at each AGM. The Chair nominates Trustees to undertake the role of Chair of each of the Sub Groups. The Chairs of each Sub Group are selected at the first meeting after the AGM.

Schedule of the work that the Board operates is provided in figure 2:

Figure 2

Wave Active Limited	Minimum Frequency	Method of Scrutiny	Elected Chair	No. of Trustees
Full Board of Trustees	7 per annum including the AGM (although additional meetings may be called as required)	Matters Reserved for the Board agreed and in place	Eric Kihlstrom	9
Governance Sub Group	5 per annum	Terms of Reference agreed and in place	Mike Price	2
Health and Safety Sub Group	4 per annum	Terms of Reference agreed and in place	David Hearn	2
Finance and Audit Sub Group	5 per annum	Terms of Reference agreed and in place	Marcell Miller	3
Wave Active Health	3 per annum	Terms of Reference agreed and in place	Eric Kihlstrom	2

At each full Board meeting, the agenda includes the opportunity for the Chair of each Sub Group to report on their work plan.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT**Organisation**

Figure 3 – Composition and Attendances at Board Meetings:

Name	Full Board (incl AGM)	Governance Sub Group	Finance & Audit Sub Group	Health & Safety Sub Group	Wave Active Health Board
Eric Kihlstrom (Chair) Registered: 04/04/2022	8/11	7/9	9/9	5/6	5/5
Mark Beaumont Registered: 16/07/15	4/11	n/a	4/9	n/a	n/a
Mike Price Registered: 16/07/15	9/11	Chair 9/9	n/a	n/a	n/a
Phil Clarke Registered: 25/02/16	8/11	7/9	n/a	n/a	n/a
Kevin Ellis Registered: 31/07/2018	9/11	n/a	7/9	n/a	n/a
Marcel Miller Registered: 22/02/2018	8/11	n/a	Chair 9/9	n/a	n/a
Cat Harwood-Smith Registered: 05/06/2023	7/11	n/a	n/a	1/6	2/5
Cllr Laurence O'Connor Registered: 24/07/2020	9/11	n/a	n/a	4/6	n/a
Cllr Johnny Denis Resigned: 22/05/2023	1/11	n/a	n/a	n/a	n/a
Cllr Joanne Saunders Resigned: 05/02/2024	1/11	n/a	n/a	n/a	n/a
Co-opted David Hearn	10/11	n/a	n/a	Chair 6/6	n/a
Cllr Charlotte Keenan Registered: 05/02/2024	Appointed after the year end date.				

Board and Trustee Evaluation

In 2023/24, the Governance Sub Group, of three trustees, continued to review matters in line with the annual work plan which includes a comprehensive review of the Governance arrangements of the Charity. As well review of the Risk Register and identifying areas to strengthen current arrangements around policy and procedures.

To facilitate the effective operation of the Charity, the Board has delegated the responsibility of administering the Charity to the Management Team of six officers. The Management Team meets on a regular basis and is made up of:

- Chief Executive Officer
- Head of Finance and Resources
- Head of Commercial Development
- Head of People and Culture
- Head of Marketing and Stakeholder Engagement.
- Head of Property, Quality and Compliance.

The Management Team is supported by two Area Managers, Site Manager, Aquatics Development Coordinator, Membership Sales and Retention Coordinator, Senior Operations Manager, Group Exercise Coordinator, Gym Manager, ICT Manager and a Financial Controller.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Charity has a very close relationship with Lewes District Council, who were providing a service fee up to 31st March 2020, at which point service fee funding ceased.

On 31st March 2021, a new 10 year extension to the original 2006 contract was agreed with Lewes District Council securing the long term partnership to 2031. The extension is not supported with a service fee.

In addition, on 1st April 2019 Eastbourne Borough Council agreed to support the Charity with an annual grant relating to a long-term project (10 years) to provide improved leisure, sports, and community services and to support healthcare and wellbeing in Eastbourne ("the Project"). The Agreement provides for the transfer of certain assets to the Charity, rights of occupation of relevant facilities and the transfer of employees to the Charity to support the Project.

Pay Policy for Senior Staff

The Directors comprise the Board of Directors, who are the Charity's Trustees, and the Business Development Team which comprise of the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All Trustees give their time freely. Details of Trustee expenses and related party transactions are disclosed in notes 8 and 21 to the accounts. The pay for senior staff is reviewed annually and increased with reference to the Consumer Price Index, financial conditions and reserves.

Disabled Employees

The Charity believes that excellent service provision will be achieved through recognising the value of every individual. The Charity aims to create an environment that respects the diversity of staff and customers and enables them to achieve their own personal goals, contribute fully, and derive maximum benefit and enjoyment from their relationship with the Charity.

The Charity recognises and values the diversity of the workforce and communities and wants to ensure that all the attributes, talents, and skills available throughout the community are recognised when employment opportunities arise. The principle is that jobs should be filled by those best able to do them.

The Charity takes every possible step to ensure that staff, and potential staff, are all treated fairly and given equal opportunity and support appropriate to their needs. All employment decisions including those on recruitment, selection, training and career development, are based job related objective criteria and personal qualities. All applicants will be provided with a full job description of the duties and responsibilities; and a person specification setting out the essential requirements in terms of education, qualification, knowledge, work performance, competencies and personal qualities.

Employee Involvement

The Charity ensures that employees are treated equally at work, across all levels and locations. This includes making sure they have the same opportunities for recognition, reward and career development.

Diversity and inclusion are central to the business to ensure continued success. The Charity must create a culture where people can be themselves at work, regardless of their gender or any other attribute or choice.

The Charity is committed to the belief that well-informed and properly consulted employees will work better and feel an integral part of the organisation. The Charity values everybody's contribution to success and believes that effective communication and working together as a team are critical to achieving business success. It is the Charity's aim to encourage effective communication that is open and two-way. In helping to achieve this objective the management team all have a responsibility to encourage upward information from their teams and in turn ensure that their teams are well informed about what is happening within the organisation.

The Charity has agreed jointly with Staff Representations a protocol and structure for informing and consulting with staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Employee Involvement

In accordance with legal requirements and in response to good employment practice the Charity's aim is to ensure employees are:

- Informed about the business's economic situation
- Informed and consulted about employment prospects, and
- Informed and consulted about decisions likely to lead to substantial changes in work organisation or contractual relations, which may include redundancies and transfers

Some key principles of effective consultation that we follow:

- A free exchange of ideas and news affecting the interests of the employees and the organisation.
- Communications are two way.
- Management and Staff Representatives will agree on the issues that will be the subject of consultation.
- Appropriate information to be made available.
- Those participating know their roles.

Risk or Uncertainties Management

The risks and uncertainties faced by the Charity are regularly reviewed by senior management and formally with the Trustees as part of the work assigned to the Finance and Audit Sub Group and Governance Sub Group subsequently reported to the Board.

A Risk Register, used to identify the primary risks faced by the Charity and the actions and initiatives to be taken to mitigate those risks is reviewed by the Governance Sub Group at each meeting as a standing agenda item. The risk register is then reported to the Board as required.

The risks and uncertainties faced by the Charity are those inherent with the management of sports and leisure services with the core aim of;

- Promoting community participation in healthy recreation, and/or
- Advancing the education of the public on the benefit of active lifestyle and in particular the value of physical activity for young people, and/or
- Such other charitable purposes beneficial to the community consistent with the objects as the Trustees shall in their discretion determine.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk or Uncertainties Management

Figure 5 – Identified Risks and Management Procedures

Identified Risk	Description	How we manage the risk
Contractual Risk	Failure to perform in terms of the contract to provide leisure and recreational services to communities.	Through regular partnership meetings and reporting with Local Authority partners highlighting Charity Performance and Impact.
Operational Risk	Incurring losses as a result of inadequate or failed internal and external processes, systems and human error or from external events.	Internal audit and external audit programme in place. Documented processes in place for all financial controls and processes.
Regulatory risk	Failure to comply with relevant regulations and procedures, for example health and safety.	Robust systems of internal and external audits and training by specialist training providers and third-party advisors with specialist knowledge of the sports and leisure sector.
People risk	Failure to ensure we maintain a well-trained, competent and motivated workforce.	Comprehensive programme of training provided across the business including annual assessment needs, competency checks and systems for behaviour and performance monitoring.
Financial risk	Failure to ensure we maintain adequate reserves to ensure the on-going financial requirements of the Charity are met.	Reserves policy regularly reviewed as part of the annual Board assessment in line with the future needs of the business.
Reputational risk	Failure to meet the expectations of our key stakeholders, our partners, staff and customers in the performance and management of the charity's affairs.	Comprehensive partner relations established with key stakeholder groups that have a direct or indirect influence on the performance of the business.
Economic risk	Failure to achieve income levels due to increased competition or a reduction in levels of customers disposable income.	Regular review of pricing against competitors, price promotion and comprehensive systems for gathering customer feedback

WAVE ACTIVE LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05621359 (England and Wales)

Registered Charity number

1113486

Registered office

Downs Leisure Centre
Sutton Road
SEAFORD
BN25 4QW

Trustees

Mr K Ellis
Mr P Clarke
Mr E Kihlstrom (Chair)
Mr M Beaumont
Mr M Price
Mr M Miller
Cllr L O'Connor
Cllr J Saunders
Ms C Harwood-Smith
Cllr C Keenan

Appointed 22 May 2023 / Resigned 5 February 2024

Appointed 5 June 2023

Appointed 5 February 2024

Company Secretary

Ms D Witts

Auditors

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Bankers

Cooperative Bank
164/165 Western Road
Brighton
East Sussex, BN1 2BB

Solicitors

Mayo Wynne Baxter
20 Gildredge Road
Eastbourne
East Sussex, BN21 4RP

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Wave Active 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

In so far as the trustees are aware:

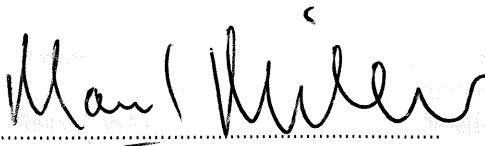
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18 November 2024 and signed on the board's behalf by:


Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE ACTIVE LIMITED

Opinion

We have audited the financial statements of Wave Active Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 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 charitable 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, 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 this gives rise to a material misstatement in the financial statements themselves. 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 **WAVE ACTIVE LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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 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.

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, 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 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.

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 and the trustees 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE ACTIVE LIMITED

Our responsibilities for the audit of the financial statements

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;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 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.

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



Ashley Phillips (FCCA) (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: 18.....November.....2024

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

				31.3.24	31.3.23
		Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	30,193	-	-	30,193
Charitable activities	4				
Leisure Centre activity		6,429,938	-	57,666	6,487,604
Investment income	3	44,880	-	-	44,880
Total		<u>6,505,011</u>	<u>-</u>	<u>57,666</u>	<u>6,562,677</u>
EXPENDITURE ON Charitable activities	5				
Leisure Centre activity		<u>6,113,075</u>	<u>(30,000)</u>	<u>145,587</u>	<u>6,228,662</u>
NET INCOME/(EXPENDITURE) Other recognised gains/(losses)		391,936	30,000	(87,921)	334,015
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>(2,601,000)</u>	<u>-</u>	<u>(2,601,000)</u>
Net movement in funds		391,936	(2,571,000)	(87,921)	(2,266,985)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,089,302</u>	<u>2,571,000</u>	<u>622,675</u>	<u>4,282,977</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,481,238</u></u>	<u><u>-</u></u>	<u><u>534,754</u></u>	<u><u>2,015,992</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2024

				31.3.24	31.3.23
		Unrestricted	FRS 102 Pension Adjustment Un-restricted	Restricted	Total
	Notes	funds		funds	funds
		£	£	£	£
FIXED ASSETS					
Tangible assets	11	411,318	-	534,754	946,072
Investments	12	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
		411,319	-	534,754	946,073
CURRENT ASSETS					
Stocks	13	28,647	-	-	28,647
Debtors	14	685,466	-	-	685,466
Investments	15	1,001,000	-	-	1,001,000
Cash at bank and in hand		<u>1,447,031</u>	<u>-</u>	<u>-</u>	<u>1,447,031</u>
		3,162,144	-	-	3,162,144
CREDITORS					
Amounts falling due within one year	16	(1,359,062)	-	-	(1,359,062)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>1,803,082</u>	<u>-</u>	<u>-</u>	<u>1,803,082</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,214,401	-	534,754	2,749,155
CREDITORS					
Amounts falling due after more than one year	17	(733,163)	-	-	(733,163)
PENSION ASSET	21	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>1,481,238</u>	<u>-</u>	<u>534,754</u>	<u>2,015,992</u>

The notes form part of these financial statements

BALANCE SHEET - continued
31 MARCH 2024

FUNDS	20		
Unrestricted funds		1,481,238	3,660,304
Restricted funds		<u>534,754</u>	<u>622,673</u>
TOTAL FUNDS		<u>2,015,992</u>	<u>4,282,977</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 18...November...2024...
and were signed on its behalf by:


.....
Trustee

WAVE ACTIVE LIMITED**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	31.3.24 £	31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	<u>784,998</u>	<u>404,051</u>
Net cash provided by operating activities		<u>784,998</u>	<u>404,051</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(162,194)	(151,698)
Interest received		44,880	8,051
Movement on investments		<u>(250,000)</u>	<u>(150,000)</u>
Net cash used in investing activities		<u>(367,314)</u>	<u>(293,647)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(153,003)</u>	<u>(99,649)</u>
Net cash used in financing activities		<u>(153,003)</u>	<u>(99,649)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		264,681	10,755
Cash and cash equivalents at the beginning of the reporting period		<u>1,182,350</u>	<u>1,171,595</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,447,031</u></u>	<u><u>1,182,350</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.24	31.3.23
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	334,015	195,370
Adjustments for:		
Depreciation charges	181,307	171,471
Loss on disposal of fixed assets	-	27,308
Interest received	(44,880)	(8,051)
Increase in stocks	(966)	(6,238)
Increase in debtors	(15,825)	(46,699)
Increase/(decrease) in creditors	361,347	(63,110)
Difference between pension charge and cash contributions	(30,000)	134,000
Net cash provided by operations	<u>784,998</u>	<u>404,051</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23	Cash flow	At 31.3.24
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,182,350</u>	<u>264,681</u>	<u>1,447,031</u>
	<u>1,182,350</u>	<u>264,681</u>	<u>1,447,031</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>751,000</u>	<u>250,000</u>	<u>1,001,000</u>
	<u>751,000</u>	<u>250,000</u>	<u>1,001,000</u>
Debt			
Debts falling due within 1 year	(153,003)	(11,182)	(164,185)
Debts falling due after 1 year	<u>(897,348)</u>	<u>164,185</u>	<u>(733,163)</u>
	<u>(1,050,351)</u>	<u>153,003</u>	<u>(897,348)</u>
Total	<u>882,999</u>	<u>667,684</u>	<u>1,550,683</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

Statement of compliance

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. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Basis of preparing the financial statements

Under Financial Reporting Standard 102 (Retirement benefits) the surplus on the trust's pension schemes is included in the financial statements and the trust's reserves have therefore been increased by the pension surplus creating net assets of £2,015,992 (2023: net assets of £4,282,977) at the year end. The management committee are satisfied that the Trust will be able to meet all of its obligations as and when they fall due.

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 and the valuation of the pension asset in respect of the local government pension scheme.

The present value of the Local Government Pension Scheme defined benefit asset 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 21, will impact the carrying amount of the pension asset. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension asset at 31 March 2024. 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 asset/liability. In determining the value of the pension asset the impact of an asset ceiling has been included to assess for recoverability, in accordance with the requirements of FRS 102.

Incoming resources

Incoming resources from recreation and leisure sites are included in the Statement of Financial Activities when receivable. Income for annual memberships is accounted for over the membership year.

Monthly direct debit subscriptions are recognised on the first day of the period in which they are paid.

Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year.

Under certain contracts that the charitable company has entered into, the entity is entitled to management fees. Management fees are often paid in equal instalments over the life of the contract. However the entity recognises the management fee in accordance with the expected profile of the operating results and contracted lifecycle maintenance.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Incoming resources

Restricted income is included when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Management Fee

The normal service fee is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Resources expended

All 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. Resources expended include attributable VAT which cannot be recovered.

Tangible fixed assets

Individual fixed assets relating to leasehold property costing £10,000 or more, or vehicles costing £4,000 or more are capitalised at cost. Other assets costing £4,000 or more are also capitalised at cost. Tangible fixed assets are depreciated on a straight line basis over the remaining term of the lease of the properties or in the case of vehicles, their expected useful life. Depreciation is calculated as follows:

Improvements to property	- Over remaining term of lease
Motor vehicles	- Straight line over 3 years
Plant and machinery	- Over remaining term of lease

Tangible fixed assets

Information Technology systems	- Straight line over 5 years
--------------------------------	------------------------------

Stocks

Stocks consists of purchased goods for resale and is valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

Unrestricted Funds

Unrestricted funds are incoming resources receivable or generated for the objectives of the Charity without further specified purpose and are available as general funds.

Restricted Funds

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

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The Charity operates two pension schemes providing benefits based on final pensionable pay. Contributions to the defined benefit schemes are charged to the Statement of Financial Activities in order to allocate the cost of providing the pension recognising any actuarial surplus or deficit (where appropriate), over the working lives of the relevant employees as assessed in accordance with the advice of professional qualified actuaries.

The assets of the schemes are held separately in independently administered funds. Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred. These include contributions to the stakeholder pension schemes and employee's personal pension schemes. One of the schemes closed as of April 2023 and this is disclosed in note 21.

Going concern

In the wake of the COVID-19 pandemic and the ongoing Russian invasion of Ukraine companies worldwide are experiencing adverse effects on the supply chain, availability of employee resources and rising inflation which put pressure of the cost of supplies to businesses and the economic health of the consumer. In the year to 31 March 2024 and into the year to 31 March 2025 the adverse global effects continue to result in a testing time for the leisure sector as a whole in the UK.

Inflation though reducing continues to put pressure on the cost of supplies and services to the business and the economic health of the consumer, and on the charity's financial performance, with the most affected areas being:

- Profitability
- Pricing structures
- Going concern consideration
- Risk and cashflow forecasting

Wave Active Limited have reacted to the inflationary pressures by maintaining price increases below inflationary impacts on the business to ease the pressure on members and casual users of the leisure facilities, and by applying increases to employee rates at the prevailing level of inflation as measured by the increase in the minimum wage. The Trust also considers long term viability of the business when reacting to inflationary pressures.

To counter the inflationary pressures Wave Active Limited will apply the cash reserves as held at 31 March 2024 which ensures that it can meet its debts as they fall due, including repayment of COVID-19 related loans which will provide sustainability in the medium term. Long term sustainability will be gained through the capital purchase plans which provides for ongoing investment in the Charity's facilities.

Growth of the business supports long term sustainability with post balance sheet events that give rise to positive impact on reserves and by mitigating any risk attached to new business opportunities. Management continues to explore new business opportunities with a focus on de-risking the business model.

The business model is under constant review to ensure that it reflects the latest forecast for inflation along with detailed review of energy pricing from flexible forward purchase contracts for gas and electricity.

Although uncertainty surrounding inflation and energy pricing past 31 March 2025 remains, the Charity has produced forecasts that indicate the Charitable Company will remain able to meet its financial obligations as they fall due for the foreseeable future. Therefore, the Board is confident that no material uncertainty exists that would put doubt on the Charity's ability to continue as a going concern and has therefore produced the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

2. DONATIONS AND LEGACIES

	31.3.24	31.3.23
	£	£
Donations	<u>30,193</u>	<u>14,692</u>

3. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Deposit account interest	<u>44,880</u>	<u>8,051</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.24	31.3.23
	Leisure Centre activity £	Total activities £
Leisure centre income	5,403,771	5,257,041
Management Fee	220,793	188,204
Joint Use Agreement Income	343,374	384,707
Grants	<u>519,666</u>	<u>471,840</u>
	<u>6,487,604</u>	<u>6,301,792</u>

Grants received, included in the above, are as follows:

	31.3.24	31.3.23
	£	£
Eastbourne Borough Council	462,000	462,000
Adult Social Care Infection Control Fund	1,035	9,840
Active Sussex Grant	4,000	-
Primary Care PCN	20,079	-
Swimming Pool Support Fund (SHP)	<u>32,552</u>	<u>-</u>
	<u>519,666</u>	<u>471,840</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Leisure Centre activity	<u>2,218,355</u>	<u>4,010,307</u>	<u>6,228,662</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

6. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Leisure Centre activity	<u>3,879,053</u>	<u>116,151</u>	<u>15,103</u>	<u>4,010,307</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.24 £	31.3.23 £
Auditor's remuneration	15,103	13,746
Depreciation - owned assets	181,307	171,471
Hire of plant and machinery	25,134	116,542
Deficit on disposal of fixed assets	<u>-</u>	<u>27,308</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

9. STAFF COSTS

	31.3.24 £	31.3.23 £
Wages and salaries	3,171,965	2,807,410
Social security costs	189,084	188,843
Other pension costs	<u>167,189</u>	<u>211,737</u>
	<u>3,528,238</u>	<u>3,207,990</u>

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

	31.3.24	31.3.23
Senior management	12	11
Recreation Sites	90	78
Administration	11	11
Casual Staff	<u>206</u>	<u>169</u>
	<u>319</u>	<u>269</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

9. STAFF COSTS - continued

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

	31.3.24	31.3.23
£60,001 - £70,000	1	-
£100,001 - £110,000	-	1
£120,001 - £130,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>1</u>

The number of employees earning in excess of £60,000 (for the year and the preceding year) to whom retirement benefits were accruing was as follows:

	2024	2023
Defined benefit schemes	2	1

The total amount of employee remuneration received by key management personnel is £286,886 (2023: £268,778). The Charitable Company considers its key management personnel comprises of the CEO, the Head of Finance and the Head of Commercial Development.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	14,692	-	-	14,692
Charitable activities				
Leisure Centre activity	6,291,952	-	9,840	6,301,792
Investment income	<u>8,051</u>	<u>-</u>	<u>-</u>	<u>8,051</u>
Total	<u>6,314,695</u>	<u>-</u>	<u>9,840</u>	<u>6,324,535</u>
EXPENDITURE ON				
Charitable activities				
Leisure Centre activity	<u>5,897,404</u>	<u>134,000</u>	<u>97,761</u>	<u>6,129,165</u>
NET INCOME/(EXPENDITURE)	417,291	(134,000)	(87,921)	195,370
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	<u>-</u>	<u>3,425,000</u>	<u>-</u>	<u>3,425,000</u>
Net movement in funds	417,291	3,291,000	(87,921)	3,620,370

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	672,011	(720,000)	710,596	662,607
TOTAL FUNDS CARRIED FORWARD	<u>1,089,302</u>	<u>2,571,000</u>	<u>622,675</u>	<u>4,282,977</u>

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2023	2,169,299	227,172	33,118
Additions	<u>9,922</u>	<u>121,059</u>	<u>8,380</u>
At 31 March 2024	<u>2,179,221</u>	<u>348,231</u>	<u>41,498</u>
DEPRECIATION			
At 1 April 2023	1,394,304	127,980	8,912
Charge for year	<u>109,479</u>	<u>23,201</u>	<u>4,687</u>
At 31 March 2024	<u>1,503,783</u>	<u>151,181</u>	<u>13,599</u>
NET BOOK VALUE			
At 31 March 2024	<u>675,438</u>	<u>197,050</u>	<u>27,899</u>
At 31 March 2023	<u>774,995</u>	<u>99,192</u>	<u>24,206</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

11. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2023	8,580	216,249	2,654,418
Additions	-	22,833	162,194
At 31 March 2024	8,580	239,082	2,816,612
DEPRECIATION			
At 1 April 2023	8,580	149,457	1,689,233
Charge for year	-	43,940	181,307
At 31 March 2024	8,580	193,397	1,870,540
NET BOOK VALUE			
At 31 March 2024	-	45,685	946,072
At 31 March 2023	-	66,792	965,185

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2023 and 31 March 2024	1
NET BOOK VALUE	
At 31 March 2024	1
At 31 March 2023	1

There were no investment assets outside the UK.

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

Wave Active Ventures Limited (formerly Wave Active Health Limited)

Registered office: Downs Leisure Centre, Sutton Road, Seaford, East Sussex, BN25 4QW

Nature of business: Dormant

	% holding		
Class of share:			
Ordinary	100	31.3.24 £	31.3.23 £
Aggregate capital and reserves		1	1

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

13. STOCKS

	31.3.24	31.3.23
	£	£
Stocks	<u>28,647</u>	<u>27,681</u>

14. DEBTORS

	31.3.24	31.3.23
	£	£
Amounts falling due within one year:		
Trade debtors	255,154	205,831
Amounts owed by group undertakings	750	750
Other debtors	29,127	34,673
Prepayments and accrued income	<u>342,385</u>	<u>370,337</u>
	<u>627,416</u>	<u>611,591</u>
Amounts falling due after more than one year:		
Other debtors	<u>58,050</u>	<u>58,050</u>
Aggregate amounts	<u>685,466</u>	<u>669,641</u>

15. CURRENT ASSET INVESTMENTS

	31.3.24	31.3.23
	£	£
Unlisted investments	<u>1,001,000</u>	<u>751,000</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Other loans (see note 18)	164,185	153,003
Trade creditors	291,501	150,068
Social security and other taxes	130,322	79,359
Other creditors	103,872	113,385
Accruals and deferred income	<u>669,182</u>	<u>490,718</u>
	<u>1,359,062</u>	<u>986,533</u>
	31.3.24	31.3.23
	£	£
Deferred income at 1 April 2023	172,606	196,321
Released from previous years	(172,606)	(196,321)
Resources deferred in the year	<u>199,370</u>	<u>172,606</u>
Deferred income at 31 March 2024	<u>199,370</u>	<u>172,606</u>

At the balance sheet date, the charitable company was holding funds received in advance for memberships and hire of facilities in respect of the following financial year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

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

	31.3.24	31.3.23
	£	£
Other loans (see note 18)	<u>733,163</u>	<u>897,348</u>

Social Investment Business FM Limited hold a fixed charge and a floating charge covering all the property or undertaking of the charitable company.

The charitable company received an unsecured loan of £500,000 from Lewes District Council in 2020/21. The loan was issued at an interest rate of 2.75% which shall accrue daily from the drawdown of the loan. The first payment of interest was paid on the last business day of March 2023. The loan is repayable in full by October 2030 or such a later date in any event being no later than October 2032 at the lender's discretion.

The charitable company secured a Coronavirus Business Interruption Loan of £650,000 in 2021/22. The loan was issued at an interest rate of 2.00% above the UK base rate which shall accrue daily from the drawdown of the loan with the first year of interest being paid by the government. The first payment of interest was paid on the first business day of August 2022. The loan is repayable over 5 years by July 2026.

18. LOANS

An analysis of the maturity of loans is given below:

	31.3.24	31.3.23
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>164,185</u>	<u>153,003</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>175,998</u>	<u>164,185</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>57,165</u>	<u>233,163</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments:		
Other loans more 5yrs non-inst	<u>500,000</u>	<u>500,000</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.24	31.3.23
	£	£
Within one year	3,169	3,169
Between one and five years	<u>7,161</u>	<u>10,330</u>
	<u>10,330</u>	<u>13,499</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

20. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	1,089,304	391,936	1,481,240
FRS 102 Pension Adjustment Un-restricted	<u>2,571,000</u>	<u>(2,571,000)</u>	<u>-</u>
	3,660,304	(2,179,064)	1,481,240
Restricted funds			
Ancient History Centre	24,508	(3,460)	21,048
Newhaven Fort Recovery	<u>598,165</u>	<u>(84,461)</u>	<u>513,704</u>
	<u>622,673</u>	<u>(87,921)</u>	<u>534,752</u>
TOTAL FUNDS	<u><u>4,282,977</u></u>	<u><u>(2,266,985)</u></u>	<u><u>2,015,992</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	6,505,011	(6,113,075)	-	391,936
FRS 102 Pension Adjustment Un-restricted	<u>-</u>	<u>30,000</u>	<u>(2,601,000)</u>	<u>(2,571,000)</u>
	6,505,011	(6,083,075)	(2,601,000)	(2,179,064)
Restricted funds				
Ancient History Centre	-	(3,460)	-	(3,460)
Newhaven Fort Recovery	-	(84,461)	-	(84,461)
Active Sussex (SSC & SHCC)	4,000	(4,000)	-	-
Primary Care (PCN)	20,079	(20,079)	-	-
Swimming Pool Support Fund (SHP)	32,552	(32,552)	-	-
Adult Social Care Infection Control Fund	<u>1,035</u>	<u>(1,035)</u>	<u>-</u>	<u>-</u>
	<u>57,666</u>	<u>(145,587)</u>	<u>-</u>	<u>(87,921)</u>
TOTAL FUNDS	<u><u>6,562,677</u></u>	<u><u>(6,228,662)</u></u>	<u><u>(2,601,000)</u></u>	<u><u>(2,266,985)</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

20. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	672,013	417,291	1,089,304
FRS 102 Pension Adjustment Un-restricted	<u>(720,000)</u>	<u>3,291,000</u>	<u>2,571,000</u>
	(47,987)	3,708,291	3,660,304
Restricted funds			
Ancient History Centre	27,968	(3,460)	24,508
Newhaven Fort Recovery	<u>682,626</u>	<u>(84,461)</u>	<u>598,165</u>
	<u>710,594</u>	<u>(87,921)</u>	<u>622,673</u>
TOTAL FUNDS	<u><u>662,607</u></u>	<u><u>3,620,370</u></u>	<u><u>4,282,977</u></u>

Comparative 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	6,314,695	(5,897,404)	-	417,291
FRS 102 Pension Adjustment Un-restricted	<u>-</u>	<u>(134,000)</u>	<u>3,425,000</u>	<u>3,291,000</u>
	6,314,695	(6,031,404)	3,425,000	3,708,291
Restricted funds				
Ancient History Centre	-	(3,460)	-	(3,460)
Newhaven Fort Recovery	-	(84,461)	-	(84,461)
Adult Social Care Infection Control Fund	<u>9,840</u>	<u>(9,840)</u>	<u>-</u>	<u>-</u>
	<u>9,840</u>	<u>(97,761)</u>	<u>-</u>	<u>(87,921)</u>
TOTAL FUNDS	<u><u>6,324,535</u></u>	<u><u>(6,129,165)</u></u>	<u><u>3,425,000</u></u>	<u><u>3,620,370</u></u>

Ancient History Centre

The Charity has received funding of £55,000 via East Sussex County Council to transform a relatively tired existing exhibition in one of the casemates, into a new exhibition/learning resource. This space now tells the story of how Newhaven and surrounding areas were inhabited during pre-roman times, and offers events programs to the public. The full funding of £55,000 has been capitalised in 2017/18 and written down over the remaining period of the lease for the site with Lewes District Council. During the year to 31st March 2024 there was expenditure of £3,460 (2023: £3,460), leaving a restricted fund balance of £21,048 (2023: £24,508).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

20. MOVEMENT IN FUNDS - continued

Newhaven Fort Recovery

Awarded by the Department of Digital, Cultural, Media and Sport, administered by the Heritage Lottery Fund. A total of £850,000 was awarded specifically for Newhaven Fort to enable it to relaunch in spring 2021. Overall purpose of the grant was to create an on-site visitor experience which complies with Government COVID-19 safe working protocols. Exhibition spaces were reviewed, adapted and renewed along with ticketing, tea room and shop to enable social distancing. The use of 'virtual' and 'digital' technology was applied to improve the visitor experience both on and off site. The grant was deemed to be of a restrictive capital nature with £766k being treated as Fixed Asset additions with the majority of the spend in 2021/22 relating to physical building works and interactive audio visual displays. During the year to 31st March 2024 there was expenditure of £84,461 (2023: £84,461), leaving a restricted fund balance of £513,704 (2022: £598,165).

Adult Social Care Infection Control Fund

Funds were made available by the government to enable organisations to help to combat the spread of Covid-19 infections. During the year ended 31st March 2024 there was income of £1,035 (2023: £9,840) matched against expenditure of £1,035 (2023: £9,840), leaving a restricted fund balance of £Nil (2023: £Nil).

Active Sussex (SSC & SHCC)

As part of the NHS Physical Activity and Digital Weight Management Programme, Active Sussex distributed funding for the provision of physical activity sessions. This was to be carried out in Eastbourne by the Health Improvement Team with the objective of providing physical activity sessions appropriate for people on low income and in deprived areas. During the year ended 31st March 2024 there was income of £4,000 matched against expenditure of £4,000, leaving a restricted fund balance of £Nil.

Primary Care (PCN)

During the course of the year, a new formal partnership with the Seaford PCN was established to deliver a project to enable people referred by Seaford PCN with the common health condition of hypertension, to access support which would result in an identified positive health outcome. The project ran from 1st November 2023 to 31st March 2024 and included a free 12-week membership to enable participants to engage in a range of activity beyond the weekly sessions. During the year ended 31st March 2024 there was income of £20,079 matched against expenditure of £20,079, leaving a restricted fund balance of £Nil.

Swimming Pool Support Fund (SHP)

Funding received from the UK Government during 2023/24 to assist funding expenditure relating to energy and chemical use for the period April 2023 to March 2024. During the year ended 31st March 2024 there was income of £32,552 matched against expenditure of £32,552, leaving a restricted fund balance of £Nil.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

21. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit scheme in the UK. The pension cost and provision for the year are based on the advice of a professionally qualified actuary the most recent full actuarial valuation is dated 31 March 2022. A roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension liability at 31 March 2024. 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.

At 31 March 2024 the scheme was valued with a £3,073,000 surplus. This surplus is not recoverable by the scheme employer and therefore a nil asset/liability is recognised in these accounts with an asset ceiling being applied.

During the year one of the company's defined benefit schemes ceased as at 30 April 2023. The scheme obligations and assets have been valued as at the scheme's ceased participation date with obligations of £524,000 and assets of £642,000. Wave Active Limited is not entitled to the scheme's surplus of £118,000 upon cessation and therefore an asset ceiling has been applied. The scheme's obligations and assets have been derecognised and do not form part of the total of defined benefit pension plans as at the balance sheet date.

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.24	31.3.23
	£	£
Current service cost	104,000	184,000
Net interest from net defined benefit asset/liability	(115,000)	18,000
Past service cost	-	-
	<u>(11,000)</u>	<u>202,000</u>
Actual return on plan assets	<u>472,000</u>	<u>287,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.24	31.3.23
	£	£
Opening defined benefit obligation	7,970,000	11,799,000
Current service cost	104,000	184,000
Contributions by scheme participants	41,000	61,000
Interest cost	357,000	305,000
Benefits paid	(228,000)	(169,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(81,000)	506,000
Actuarial (gains)/losses from changes in financial assumptions	(201,000)	(5,595,000)
Oblig other remeasurement	23,000	879,000
	<u>7,985,000</u>	<u>7,970,000</u>
Cessation of scheme	<u>(524,000)</u>	<u>-</u>
	<u><u>7,461,000</u></u>	<u><u>7,970,000</u></u>

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

	Defined benefit pension plans	
	31.3.24	31.3.23
	£	£
Opening fair value of scheme assets	10,541,000	11,079,000
Contributions by employer	27,000	76,000
Contributions by scheme participants	41,000	61,000
Expected return	472,000	287,000
Benefits paid	(228,000)	(169,000)
Assets no descr	(8,000)	(8,000)
Remeasurements:		
Return on plan assets (excluding interest income)	316,000	(591,000)
Assets other remeasurement	15,000	(194,000)
	<u>11,176,000</u>	<u>10,541,000</u>
Asset Ceiling	(3,191,000)	-
Cessation of scheme	<u>(524,000)</u>	<u>-</u>
	<u><u>7,461,000</u></u>	<u><u>7,970,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.24	31.3.23
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	81,000	(506,000)
Actuarial (gains)/losses from changes in financial assumptions	201,000	5,595,000
Oblig other remeasurement	(23,000)	(879,000)
Return on plan assets (excluding interest income)	316,000	(591,000)
Assets other remeasurement	<u>15,000</u>	<u>(194,000)</u>
	<u>590,000</u>	<u>3,425,000</u>

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

	Defined benefit pension plans	
	31.3.24	31.3.23
Equities	69%	71%
Bonds	15%	12%
Property	15%	16%
Cash	<u>1%</u>	<u>1%</u>
	<u>100%</u>	<u>100%</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.3.24	31.3.23
Discount rate	4.95%	4.80%
Future salary increases	2.85%	2.90%
Future pension increases	2.85%	2.90%

Amounts for the current and previous four periods are as follows:

	2024	2023	2022	2021	2020
Defined benefit pension plans					
Defined benefit obligation	(7,461,000)	(7,970,000)	(11,799,000)	(12,133,00)	(9,062,000)
Fair value of scheme assets	10,652,000	10,541,000	11,079,000	10,016,000	8,333,000
Asset Ceiling	(3,191,000)	-	-	-	-
(Deficit)surplus	-	2,571,000	(720,000)	(2,117,000)	(729,000)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

Lewes District Council has given a legal undertaking guaranteeing that if any sums are due and owing to the pension scheme by the Charity pursuant to the terms of the pension admissions agreement between the Charity and Lewes District Council dated 31 March 2006, that Lewes District Council will make good any deficit in the event of the liquidation or winding up of the charitable company. As this indemnity represents a contingent asset it has not been reflected in the financial statements.

Sensitivity Analysis

Changes in assumptions at 31 March 2024	Approx % Increase to Employer Liability	Approximate Monetary Amount (£000)
0.1% decrease in Real Discount Rate	1.86%	139,000
0.1% increase in Salary Increase Rate	0.09%	7,000
0.1% increase in the Pension Increase Rate	1.76%	131,000

22. CAPITAL COMMITMENTS

As at 31 March 2024 there was capital expenditure authorised by the senior leadership team but not contracted for of £32,295 (2023: £16,647).

23. RELATED PARTY DISCLOSURES

The Charity has a very close relationship with Lewes District Council, however it is not considered to be a related party due to the control criteria not being met.

A member of the Key Management Personnel, Neil Harrison, had a family connection with several employees at Wave Active Limited. The employees were remunerated during 2023/24 as follows:

	31.3.24	31.3.23
	£	£
S Harrison	3,137	2,366
A Harrison	3,865	-
J Harrison	1,002	-
M Harrison	181	-

A second member of the Key Management Personnel, Deborah Witts, had a family connection with an employee at Wave Active Limited. The employee was remunerated during 2023/24 as follows:

	31.3.24	31.3.23
	£	£
T Witts	4,834	-

A third member of the Key Management Personnel, Duncan Kerr, had a family connection with an employee at Wave Active Limited. The employee was remunerated during 2023/24 as follows:

	31.3.24	31.3.23
	£	£
E Clarke	499	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

24. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party. The Board of Trustees and the management team are responsible for the strategic and operational decisions of the charity.

WAVE ACTIVE LIMITED

England & Wales - Charity number 1113486

Accounts

REGISTERED COMPANY NUMBER: 05621359 (England and Wales)
REGISTERED CHARITY NUMBER: 1113486

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
WAVE ACTIVE LIMITED

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

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FOR THE YEAR ENDED 31 MARCH 2023

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the 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).

OBJECTIVES AND ACTIVITIES

Objects of the Charity

The Objects of the Charity per the Memorandum of Association are:

- To provide or assist in the provision of facilities and services for recreation, sport, culture or other leisure time occupations and the interest of social welfare, such facilities being provided to the public at large save that special facilities maybe be provided for persons who, by virtue of their youth, age, infirmity, disability, poverty or social or economic circumstances may have need for special facilities or services.
- To promote community participation in healthy recreation.
- To advance the education of the general public on the benefits of active lifestyles, and in particular the value of physical activity for young people.
- Any other charitable activity beneficial to the local community consistent with the above objectives.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Public benefit

The Trustees confirm that they have complied with the duties in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on 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 Charity provides leisure services to the residents primarily, but not restricted to the Lewes District and Eastbourne Borough areas of East Sussex.

The Charity provides leisure and recreational services at the following facilities:

- Downs Leisure Centre, Seaford
- Lewes Leisure Centre, Lewes
- Peacehaven Leisure Centre, Peacehaven
- Seahaven Swim and Fitness Centre, Newhaven
- Seaford Head Swimming Pool
- Ringmer Swimming Pool (closed due to extensive maintenance issues)
- Shakespeare Hall, Newhaven
- Newhaven Fort, Newhaven
- East Grinstead Sports Club, East Grinstead (terminated 1st February 2023)
- Hampden Park Sports Centre, Eastbourne
- Eastbourne Sports Park
- Shinewater Sports Centre, Eastbourne
- Cavendish Sports Centre, Eastbourne (terminated 31st August 2022)
- Motcombe Swimming Pool, Eastbourne (closed since April 2020 due to extensive maintenance issues)
- Regency Park Community Centre, Eastbourne
- Sovereign Harbour Community Centre, Eastbourne
- Skyhigh Trampoline Park
- Saltdean Lido (commenced 1st May 2023)

Facilities provided include; gym and fitness suites, swimming pools, sports halls, squash courts, soft play and meeting rooms at various locations. A varied programme of holiday scheme activities and special events are also provided. The Charity contributes to the health and wellbeing of the population and agrees an annual series of targets with the local authority that demonstrates its reach and effectiveness.

The Charity offers a wide range of membership options and also allows customers to use the facilities on a pay and play basis. There are special discounted memberships available specifically for juniors, students and seniors and for couples.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Achievement and performance

Charitable activities

The Charity completed its 17th year of trading after its transition from a Local Authority controlled service to a Charitable Company in 2006.

Due to the Covid-19 Pandemic, on 20th March 2020, the Government instructed all leisure centres to close with immediate effect and that lock-down remained in place until 25th July 2020 at which point leisure centres could re-open. As the year progressed the Charity was subjected to two further periods of lockdown, finally re-opening without restriction on 17th May 2021.

Whilst operational restrictions have become a distant memory the recovery process from the pandemic continued through the 2022/23 year reflected in the positive financial performance of the Charity.

Staffing

The organisational restructure implemented in August and October of 2020 cut across every department, supporting the key objective to reduce the financial burden and protect cash whilst maximising revenue opportunities. That approach has remained in place to ensure staff costs as a percentage of income remains at circa 50%, much lower than previous years. Whilst this approach over the past 12 months has supported the achievement of financial objectives, it has also encouraged the Charity to consider new ways of delivering the service along with supporting investment into new systems and processes to support a reduced workforce and maximise efficiencies.

Through the course of the 2022/23 financial year, recruitment has remained a challenge, particularly with a number of front-line roles, for example, lifeguards, swim teachers and fitness instructors with many remaining vacant throughout the year, placing additional pressure on staff and areas of the business. In some instances, this has continued to affect the ability of the Charity to offer services and restricted activity programme development, for example the swimming pool timetable. These recruitment issues are not specific to the Charity and are being reported across the leisure and hospitality sector.

Whilst it is anticipated that this pressure will continue through the summer of 2023, there are some signs that from September 2023 recruitment pressures may ease somewhat for the Charity, principally due to a number of lifeguards becoming vacant due to end of the summer season at Saltdean Lido.

Finance

The Charity produced a 3-year financial model illustrating performance moving from a position of £1.4 million loss in 2020/21 to a projected £48,000 surplus by the end of the 2022/23 financial year based on:

2020/21	"Restart"	stripped model based on re-opening 25 th July 2020.
2021/22	"Rebuild"	based on 50% of pre lockdown non-membership income.
2022/23	"Recover"	return to 2020/21 pre lock-down non-membership activity.

Figure 1 highlights the assumptions used to prepare the model and the actual performance achieved:

Income Assumption

Membership return assumed at 55% of pre-lock-down rate rising 2% monthly to the end of the financial year.

Swim lessons collection return rate set at 45% rising 2% per month.

Income Performance Achieved

Membership returned at 64% of pre-lock-down rate and rose to 85% at the end of the 2021/22 financial year. Membership levels continued to grow through 2022/23 rising to 106% of pre-Pandemic levels.

Swim School collections resumed fully in June 2021 at 67% pre-lock-down rate and rose to 106% at the end of the 2021/22 financial year. During the 2022/23 financial year, Swim School membership rose by a further 11% to 117% the highest level on record.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Figure 1 - continued

Income Assumption

Pay As You Go (PAYG) and casual use was assumed at 30% of pre lockdown activity from January 2021 rising to 50% in 2021/22 and 100% in 2022/23.

Income Performance Achieved

PAYG and Casual use reached 44% in 2021/22, and outdoor bookings returned to 65%, average across all sites. When comparing the 2022/23 Budget and end of year position, bookings income outperformed budget by 31%.

As previously stated, the original financial model illustrated performance moving from a position of £1.4 million loss in 2020/21 to a £48,000 surplus by the end of the 2022/23 financial year. The Charity's actual net position for the year to 31st March 2023, excluding the pension fund liability, amounted to a net profit of £329,370.

Recovery Timeline

As presented in previous reports, through the implementation of the Charity's "Build Back Better" Strategy, the aim was, to rebuild back to the 2021 pre-lockdown budget by March 2023, stabilise and repay SIB by 2026 and settle any local council loans thereafter. The 2020 – 2023 rebuilding process, has been successful and the Charity remains on track to repay and settle loans in line with the strategy.

On 31st March 2021, with a new 10-year agreement with Lewes District Council in place the Charity was able to implement its "Build Back Better" Strategy which focused on three key areas:

1. Rebuild
2. Funding and Investments
3. Community Health

1. Re-build

During the COVID-19 Pandemic and periods of lockdown the Charity embraced the opportunity to redesign day to day operations, streamline to reduce costs, and establish new foundations to maximise revenue streams and the relationship with the customer base.

Whilst recruitment within some roles has remained challenging, the structure of the Charity has remained stable and settled for over 18 months. As such, the Charity is confident that the rebuilding process has been successful and there is a requirement for a new approach to ensure future sustainability.

2. Funding and Investment

Either through utilisation of the Charity's funds, successful grant and loan applications, or in partnership with key stakeholders, e.g. Lewes District Council and Eastbourne Borough Council, a number of projects have been successfully implemented including:

- New gym in Downs Leisure Centre.
- New large "Mousetrap" inflatable at Downs Leisure Centre.
- New gym extension at Lewes Leisure Centre.
- New gym at Eastbourne Sports Park.

In addition, on 17th May 2023 the Charity commenced with the management of the Saltdean Lido under an Operating Contract. The Saltdean Lido is the only Grade II listed Lido in the UK. The pool and its art-deco building are being restored and brought back into public use by the Saltdean Lido CIC and the Saltdean Lido Trust with the help of various funders. This is an iconic facility and the Charity is delighted to be the operating partner of the pool.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Investment remains a key priority and a number of new projects are currently being worked on including:

Site	Project	Purpose	2021 Update
Peacehaven Leisure Centre	Create new gym, dance studio and health hub	Revenue Generation Customer Satisfaction	In Progress
Seahaven Leisure Centre	Health Hub development incorporating a complete refurbishment of the current centre, extension and introduction of new facilities and activities aligned to the new strategy, empowering independent health and wellbeing for those with health conditions.	Revenue Generation Customer Satisfaction	In Progress
Newhaven Fort	Improve visitor experience through a series of projects linked to: • Health, Safety and Environment • Visitor Attractions • Restoration	Increase Visitor Numbers Revenue Generation Improve Visitor Experience	Towns Fund Project in Progress
Downs Leisure Centre	Health Hub	To support the new Strategy, empowering independent health and wellbeing for those with health conditions.	In Progress

In addition, the Charity will continue to explore new relevant contract and investment opportunities aligned to the Charity's Purpose, Vision and Charitable Objectives as they arise.

1. Community Health

The Charity has been at the heart of community health since 2006 and has well-established and respected partnerships with several Public Health Partners including East Sussex Public Health, Integrated Care Board, Primary Care Networks, and the NHS in relation to the delivery of commissioned services supporting those in greatest need with physical and mental health conditions.

A new programme of activities launched in May 2023 including:

- Chair Based Exercise
A seated exercise class focusing on exercises that improve strength, mobility and confidence.
- Move and Mobilise
A group session comprising strength and balance to specifically aid with the prevention of falls.
- Referral Gym – Functional Training
Supporting those unfamiliar to the gym, seeking adaptive exercise to support health conditions.
- Referral Yoga
Supporting those unfamiliar to Yoga with health conditions.
- Referral Spin
Supporting those unfamiliar to Spin with health conditions.
- Referral Pilates
Supporting those unfamiliar to Pilates with health conditions.

This programme will continue to expand as the delivery team grows, addressing local health needs, supporting individuals to gain, regain or maintain health, fitness, and wellbeing.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

In addition, the Charity continues to explore new relevant contract and investment opportunities aligned to the Charity's Purpose, Vision and Charitable Objectives as they arise.

In addition, the three-part joint proposal presented to Lewes District Council to bring about the formation of a new Health Hub in Newhaven Town Centre combining GP and other Primary Health Care Services with leisure centre facilities and activities is now a live project. Whilst funding the project remains a challenge the hope remains that the project will be completed at some point late 2024.

Plan for Future Periods – Building Upon a Track Record of Delivery

The Charity has been successfully delivering on its Inspiring Active Lifestyles purpose and has made good progress against its vision; “to be at the heart of the improvement of health and wellbeing in the community” and has established positive relationships with the local authorities that it partners, moving from a subsidised service to one that now delivers a surplus.

The Charity's values underpinned the successful execution of the purpose and vision and as the Charity looks to evolve beyond the Restart, Rebuild and Recover model, it will be important to renew the commitment to these values, and challenge what needs to change.

Creating a new Wave of Active Health

As an established provider of health-related programmes (either in isolation or in partnership with health care partners) and a key partner in the conceptual design and development of an integrated health hub in Newhaven, there now exists a strong case to:

- design an Active Health promotion strategy,
- form an effective team structure to enable successful delivery of the strategy,
- commit to a framework of activity and educational programmes designed to appeal to a deconditioned population and achieve positive health outcomes,
- design an appropriate and effective marketing strategy to capture the interest of a deconditioned market to move more with Wave,
- design and implement an effective data (hard and soft) capture system to provide intelligence and insight to support the evolution of the team, the framework and the programmes,
- design accurate, efficient and interesting reporting mechanisms to communicate the impact,
- more clearly separate the some of the Charity's activities from those supporting people with health conditions.

At this current stage of development, it is likely that the Charity will likely need to magnify the PACE:

- Partnering: with others to achieve mutual goals.
- Aspiring: set sights on maximising social value.
- Caring: about making a difference to health of the community and people's lives each and every day.
- Excelling: continuously improving what the Charity does.

To achieve this, maintaining the overarching 'group' purpose of *Inspiring Active Lifestyles* feels both appropriate and relevant. However, splitting this purpose across two distinct organisations, each with their own supporting purpose, will provide greater focus, traction and impact:

1. **“Wave Active”** (The Charity), formally known a Wave Leisure Trust will continue to inspire and support active lifestyles. Developing and operating high-quality, sustainable commercial DREAM (delightful, relevant, enjoyable, accessible and motivating) facilities, activities and programmes for the general public.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

2. **“Wave Active Health”**, a new subsidiary empowering independent health and wellbeing. Designing and delivering behavioural change and activity programmes and pathways, *support individuals to gain, regain or maintain health, fitness, and wellbeing.*

In addition to the development and delivery of programmes that address specific health conditions, there will be a requirement to strengthen data and evidence capture. This will require investment in technology, for example; Gladstone, Refer-All, etc. to enable better connection to Datahub in order to improve social value reporting.

Structuring for success

The Charity's dual focus will, over time, require capabilities in:

1. Leading a dual purpose organisation requiring the:
 - a. Sound operation and development of core activities.
 - b. development and delivery of evidence-base activity programmes.
2. Engaging and managing key stakeholders in primary health care.
3. Potentially recruiting and managing health professionals
4. Evidencing and reporting health and social impact.

The Charity has in place the initial resources to develop and deliver the programmes, but the additional focus on stakeholder engagement will likely require the Charity to strengthen the existing Wave Active team.

Fundraising activities

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 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.

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

- The Trustees will have regard to the Charity Commission's 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 stated mission and 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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Financial review

The Charity has been working to an updated service plan which was the basis on which the service fee from Lewes District Council was secured. The results for this seventeenth year continue to demonstrate the value of this plan and the practice of monitoring against the plan.

Incoming resources exceeded expended resources by £329,370 (2022: incoming resources exceeded outgoing resources by £99,198) before pension adjustments. A total of £87,921 restricted funds brought forward from 2021/22 were matched with expenditure in 2022/23, as well as £9,840 of in-year restricted income being matched against £9,840 of in-year expenditure.

The principal incoming resources arising from operations totalling £6,301,792 (2022: 4,968,381) were from grant from Eastbourne Borough Council, joint user arrangements, membership fees, swimming and other health and fitness activities, and a service fee from Lewes District Council in respect of Newhaven Fort.

Expended resources of £6,129,165 (2022: £5,348,440) includes £87,921 (2022: £545,098) in relation to the restricted incoming resources brought forward from 2022, this restricted operational expenditure being depreciation. A further £9,840 of restricted expenditure was incurred in the year against restricted revenue funding.

Investment powers

Under the Memorandum and Articles of Association, the Charity has the power to invest any monies not immediately required for its objects in or upon such investments, securities or property as may be thought fit.

The Charity having regards to the liquidity requirements of operating the centres and to the reserves policy has operated a policy of keeping available funds in interest bearing Public Sector Reserve Accounts. During 2022/23, the Trust sought to maximise the interest earning potential by investing £751,000 (2022: £601,000) of available funds with the Nationwide Building Society, £500,941 (2022: £451,000) with Virgin Money and £501,352 with the Cooperative Bank (2022: £nil). Subsequent to the year end £250,000 was moved from the Cooperative Bank to Nationwide Building Society. Total deposits held with Nationwide Building Society were moved to a 125 day call account to take advantage of the increase in deposit interest.

Borrowing powers

Under the Memorandum and Articles of Association, the Charity has the power to borrow and raise money for the objects of the Company on such terms and conditions and on such security as may be thought fit. During the year to 31 March 2021 Charity secured a loan of £500,000 from Lewes District Council to provide working capital during closure and a CBILS loan of £650,000. The £500,000 loan is due for repayment in full after 10 years and the CBILs is due to be repaid in full in 48 months from August 2022. In the year to 31 March 2023 the Charity repaid £124,520 of the CBILs loan of which £24,871 was interest payable, and £31,874 interest only to Lewes District Council.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Financial review

Reserves policy

The Charity, prior to the COVID-19 pandemic, had accumulated a favourable cash flow position. It also receives some income such as service fees and grants in advance of its expenditure. The Trustees, however, recognise the need for a buffer of financial reserves that will protect the Charitable Company from the possibility of any adverse unforeseen circumstances. These include a number of specific risks that have been identified in the Charitable Company's Risk Register. The key financial risk is access to cash, which is determined by the level, timing and certainty of the Charity's income and the phasing and control of expenditure. The Charity's budget process identifies peaks and troughs in cash flow and it is deemed essential that sufficient funds are available at all points in the cycle.

Trustees have examined the requirement for any useable reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. In defining the reserves policy Trustees have been mindful of the requirements within the following areas:-

- Insurance
- IT
- Pension Liability
- Development Fund

The Trustees have assessed that the target free reserves of the Charity should be £1.5million, which is based on three months expenditure cover. The current level of free reserves is £1,089,302. Budgets will be set over the coming years with a view to reaching the target level of reserves again, following the financial impact of Covid on previous reserve levels.

The Trustees will review reallocation of funds to the defined Unrestricted funds no later than August 2026 following repayment of the CBILS loan.

Pension and Tax Reserve

Within Unrestricted Reserves the Charity has a pension scheme asset of £2,571,000 (2022: £720,000 liability) as of 31 March 2023. In the long term, the cash flow impact of having a pension scheme asset is that employer contributions may reduce to reduce the asset. The Charity will always pay the employer contribution rates set by the pension scheme actuaries which as of 31 March 2024 for 3 years will be 7.1% per an independent scheme valuation.

Significant post year end events

The Trustees report that the transfer of the provision of health and leisure activities of The Sovereign Centre from Eastbourne Borough Council to Wave Active Ltd was delayed to 1st December 2023 as ratified by Cabinet of the Council 26th July 2023. A grant of £1,059,000 was been awarded by Lewes District Council to Wave Active Limited in August 2023 for the purpose of delivering defined capital projects to improve energy efficiencies and the delivery of services at the Downs Leisure Centre, Seahaven Swim and Fitness Centre, Lewes Leisure Centre and Peacehaven Leisure Centre.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Wave Active Limited is a Charitable Company limited by guarantee. It was incorporated on 14 November 2005, registered as a Charity on 14 March 2006 and commenced trading on 1 April 2006. On 28 November 2023 the Charity passed a special resolution changing its name from Wave Leisure Trust Limited to Wave Active Limited.

In addition, on 3rd April 2023 a Board meeting of WLT Solutions Ltd (dormant trading subsidiary of Wave Active Limited) was held, and a Special Resolution passed to change its name from WLT Solutions Limited to Wave Active Health Limited.

The Charity was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Appointment of Trustees

As set out in the Articles of Association the Board shall consist of at least six and not more than nine Trustees all of which shall be required to become a member of the Charity.

The Board of Trustees shall consist of:

- A maximum of two Local Authority Trustees
- One Employee Trustee (if determined by the Charity)
- One individual appointed to be the Chief Executive Officer Trustee (if determined by the Charity)
- No less than four or more than nine other individuals appointed as Community Trustees.

In exercising their powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Trustees, both the members and Trustees shall seek to ensure that the Board is representative of those with an interest in the facilities and services offered by the Charity and also comprises persons with a broad range of skills and who are likely to contribute to the Charity's success.

The Local Authority Trustee/s shall be nominated by Lewes District Council to serve for such period of office as shall be confirmed by Lewes District Council.

On the back of the Employee Trustee and CEO Trustee resigning, The Charity determined that replacements would not be appointed.

At the first Annual General Meeting after the Charity has commenced its activities all of the Trustees shall retire but will be eligible for reappointment without requirement for nomination. At each Annual General Meeting held thereafter, one third of the Community Trustees must retire, those longest in office retiring first and the choice between any equal service being made by drawing lots.

No Trustee shall serve on the Board for more than nine years in total excluding the period between the commencement of activities and the first Annual General Meeting.

All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses redeemed by the Charity are set out in note 8 to the accounts.

Trustee Induction and Training

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.

In 2022/23, internal training for Trustees comprised the following:

- Expression of Interest pack including application forms, details of the work of the Charity and the role and expectations of Trustees
- Selection meetings with the CEO and Chair of Trustees
- Invitation to attend a Board meeting prior to becoming a Trustee
- Visits to the facilities and meeting key staff
- Invitation to attend the meetings of Sub Groups
- On-going training in legislation and responsibilities of Trustees

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

External training is arranged through the Head of People and Culture. Courses relevant and likely to be of interest to Trustees in enhancing their own performance and knowledge are identified through links with local voluntary service organisations, the Charity Commission and other Charity Training web sites.

Organisation

The Board of Trustees administers the Charity. The Board meets every second month and there are three Sub Groups covering Finance and Audit, Governance and Health and Safety which meet regularly.

On a biennial basis, Trustees attend a strategic away day to review performance, re assess market conditions and prepare a tactical plan for the future. In keeping with the time frames a Trustee Away Day was held on 15 January 2022.

In addition to training, one new Trustee was inducted to the Board. Figure 2 highlights the core skill sets and experiences of the current Board:

Figure 2

Serving Board

Members	Occupation	Core Skills	Gender
Eric Khilstrom (Chair)	Chairman/Trustee	Strategy, Financial Management, National Governing Bodies, Healthcare Services, Social/Care Services	Male
Mark Beaumont	Founder/MD/ Entrepreneur	Business start-up and new product development	Male
Phil Clarke	Retired Director Tesco Stores Ltd	Private sector - retail and service management	Male
Mike Price	Retired Head Teacher Barnados	Public and Charity sector - Special Needs Education	Male
Alan Wisniewski	Retired Sales & General Manager	Strategy, Financial Management, Auditing, Information Technology, Social Care Services	Male
Kevin Ellis	Retired Actuary & Private Maths Tutor	Strategy, Financial Management, Accountancy, Treasury Management, Governance, Training & Development	Male
Marcel Miller	Treasurer	Financial Management, Accountancy, Banking, Treasury Management, Insurance, Pensions,	Male
Cllr Laurence O'Connor	Dept for Work & Pensions	Working with Local Authorities	Male
Cllr Johnny Denis	Cabinet Member for Customers & Communities	Fundraising, Strategy, Community Relations and Governance	Male
Cat Harwood-Smith	Charity Senior Leader	Strategy, Community Relations, Local Government, Working with Local Authorities, Healthcare Services	Female
Cllr Joanne Saunders	Sound Designer	Media	Female

At the board meeting of 3rd October 2022 Mark Beaumont resigned as Chairman and Eric Khilstrom expressed an interest which was accepted by a majority vote with immediate effect. Eric Kihlstrom's chairmanship will be ratified by the Board at the AGM to be held 5th December 2022.

WAVE ACTIVE LIMITED

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

In addition, David Hearn was also retained as a Co-opted Trustee and continues to support The Trust as Chairman of the Health and Safety Sub Group.

Following 6 years of active commitment to the Charity, on 31st March 2023 Alan Wisniewski (Community Trustee) resigned from the Board. During his time as a Trustee, Alan was a source of inspiration and a positive promoter of the Charity.

Also, following the local elections held in May 2023, Cllr Johnny Denis resigned as one of the Local Authority Trustees, replaced by Cllr Joanne Saunders.

Finally, on 5th June 2023, Cat Harwood-Smith was appointed to the Board, bringing a new skill set to the Board and wealth of knowledge and experience as a Charity Senior Leader.

The total number of Trustees currently on the Board stands at nine.

The CEO and Board Members have agreed specific work areas for the Board, and this is drawn up in Matters Reserved for the Board. Each of the Sub Groups have specific Terms of Reference for their areas of responsibility and this is reviewed annually. A Chair for the Board is elected at each AGM. The Chair nominates Trustees to undertake the role of Chair of each of the Sub Groups. The Chairs of each Sub Group are selected at the first meeting after the AGM.

Schedule of the work that the Board operates is provided in figure 2:

Figure 2

Wave Leisure Trust	Minimum Frequency	Method of Scrutiny	Elected Chair	No. of Trustees
Full Board of Trustees	7 per annum including the AGM (although additional meetings may be called as required)	Matters Reserved for the Board agreed and in place	Eric Kihlstrom	9
Governance Sub Group	6 per annum	Terms of Reference agreed and in place	Mike Price	3
Health and Safety Sub Group	4 per annum	Terms of Reference agreed and in place	David Hearn	2
Finance and Audit Sub Group	6 per annum	Terms of Reference agreed and in place	Marcell Miller	3
Wave Active Health	6 per annum	Terms of Reference agreed and in place	TBC	2

WAVE ACTIVE LIMITED**REPORT OF THE TRUSTEES**
FOR THE YEAR ENDED 31 MARCH 2023

At each full Board meeting, the agenda includes the opportunity for the Chair of each Sub Group to report on their work plan.

Figure 3: Composition and Attendances at Board Meetings:

Name	Full Board (incl AGM)	Governance Sub Group	Finance & Audit Sub Group	Health & Safety Sub Group	Strategy Development Sub Group	Wave Active Health Board
Eric Kihlstrom (Chair) Registered: 04/04/2022	6/7	1/6	3/6	2/4	0/4	2/2
Mark Beaumont Registered: 16/07/15	6/7	n/a	5/6	n/a	0/4	
Mike Price Registered: 16/07/15	3/7	Chair 6/6	n/a	n/a	0/4	
Phil Clarke Registered: 25/02/16	6/7	6/6	n/a	n/a	0/4	
Kevin Ellis Registered: 31/07/2018	7/7	n/a	6/6	n/a	0/4	
Marcel Miller Registered: 22/02/2018	7/7	n/a	Chair 6/6	n/a	0/4	
Alan Wisniewski Registered; 26/05/2017	4/7	6/6	n/a	n/a	0/4	
Cllr Laurence O'Connor	6/7	n/a	n/a	4/4	0/4	
Cllr Johnny Denis	6/7	n/a	n/a	n/a	0/4	
Co-opted David Hearn	7/7	n/a	n/a	Chair 3/4	0/4	
Cllr Joanne Saunders	Appointed after the year end date					
Cat Harwood-Smith	Appointed after the year end date					

Board and Trustee Evaluation

In 2022/23, the Governance Sub Group, of three trustees, continued to review matters in line with the annual work plan which includes a comprehensive review of the Governance arrangements of the Charity. As well review of the Risk Register and identifying areas to strengthen current arrangements around policy and procedures.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

To facilitate the effective operation of the Charity, the Board has delegated the responsibility of administering the Charity to the Management Team of six officers. The Management Team meets on a regular basis and is made up of:

- Chief Executive Officer
- Head of Finance and Resources
- Head of Commercial Development
- Head of People and Culture
- Head of Marketing and Stakeholder Engagement.
- Head of Property, Quality and Compliance.

The Management Team is supported by two Area Managers, Site Manager, Aquatics Development Coordinator, Membership Sales and Retention Coordinator, Senior Operations Manager, Group Exercise Coordinator, Gym Manager, ICT Manager and a Financial Controller.

Related Parties

The Charity has a very close relationship with Lewes District Council, who were providing a service fee up to 31st March 2020, at which point service fee funding ceased.

On 31st March 2021, a new 10 year extension to the original 2006 contract was agreed with Lewes District Council securing the long term partnership to 2031. The extension is not supported with a service fee.

In addition, on 1st April 2019 Eastbourne Borough Council agreed to support the Charity with an annual grant relating to a long-term project (10 years) to provide improved leisure, sports, and community services and to support healthcare and wellbeing in Eastbourne ("the Project"). The Agreement provides for the transfer of certain assets to the Charity, rights of occupation of relevant facilities and the transfer of employees to the Charity to support the Project.

Pay Policy for Senior Staff

The Directors comprise the Board of Directors, who are the Charity's Trustees, and the Business Development Team which comprise of the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All Trustees give their time freely. Details of Trustee expenses and related party transactions are disclosed in notes 8 and 21 to the accounts. The pay for senior staff is reviewed annually and increased with reference to the Consumer Price Index, financial conditions and reserves.

Disabled Employees

The Charity believes that excellent service provision will be achieved through recognising the value of every individual. The Charity aims to create an environment that respects the diversity of staff and customers and enables them to achieve their own personal goals, contribute fully, and derive maximum benefit and enjoyment from their relationship with the Charity.

The Charity recognises and values the diversity of the workforce and communities and wants to ensure that all the attributes, talents, and skills available throughout the community are recognised when employment opportunities arise. The principle is that jobs should be filled by those best able to do them.

The Charity takes every possible step to ensure that staff, and potential staff, are all treated fairly and given equal opportunity and support appropriate to their needs. All employment decisions including those on recruitment, selection, training and career development, are based job related objective criteria and personal qualities. All applicants will be provided with a full job description of the duties and responsibilities; and a person specification setting out the essential requirements in terms of education, qualification, knowledge, work performance, competencies and personal qualities.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Employee Involvement

The Charity ensures that employees are treated equally at work, across all levels and locations. This includes making sure they have the same opportunities for recognition, reward and career development.

Diversity and inclusion are central to the business to ensure continued success. The Charity must create a culture where people can be themselves at work, regardless of their gender or any other attribute or choice.

The Charity is committed to the belief that well-informed and properly consulted employees will work better and feel an integral part of the organisation. The Charity values everybody's contribution to success and believes that effective communication and working together as a team are critical to achieving business success. It is the Charity's aim to encourage effective communication that is open and two-way. In helping to achieve this objective the management team all have a responsibility to encourage upward information from their teams and in turn ensure that their teams are well informed about what is happening within the organisation.

The Charity has agreed jointly with Staff Representations a protocol and structure for informing and consulting with staff.

In accordance with legal requirements and in response to good employment practice the Charity's aim is to ensure employees are:

- Informed about the business's economic situation
- Informed and consulted about employment prospects, and
- Informed and consulted about decisions likely to lead to substantial changes in work organisation or contractual relations, which may include redundancies and transfers

Some key principles of effective consultation that we follow:

- A free exchange of ideas and news affecting the interests of the employees and the organisation.
- Communications are two way.
- Management and Staff Representatives will agree on the issues that will be the subject of consultation.
- Appropriate information to be made available.
- Those participating know their roles.

Risk or Uncertainties Management

The risks and uncertainties faced by the Charity are regularly reviewed by senior management and formally with the Trustees as part of the work assigned to the Finance and Audit Sub Group and Governance Sub Group subsequently reported to the Board.

A Risk Register, used to identify the primary risks faced by the Charity and the actions and initiatives to be taken to mitigate those risks is reviewed by the Governance Sub Group at each meeting as a standing agenda item. The risk register is then reported to the Board as required.

The risks and uncertainties faced by the Charity are those inherent with the management of sports and leisure services with the core aim of;

- Promoting community participation in healthy recreation, and/or
- Advancing the education of the public on the benefit of active lifestyle and in particular the value of physical activity for young people, and/or
- Such other charitable purposes beneficial to the community consistent with the objects as the Trustees shall in their discretion determine.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

Figure 5: Identified Risks and Management Procedures

Identified Risk	Description	How we manage the risk
Contractual Risk	Failure to perform in terms of the contract to provide leisure and recreational services to communities.	Through regular partnership meetings and reporting with Local Authority partners highlighting Charity Performance and Impact.
Operational Risk	Incurring losses as a result of inadequate or failed internal and external processes, systems and human error or from external events.	Internal audit and external audit programme in place. Documented processes in place for all financial controls and processes.
Regulatory risk	Failure to comply with relevant regulations and procedures, for example health and safety.	Robust systems of internal and external audits and training by specialist training providers and third-party advisors with specialist knowledge of the sports and leisure sector.
People risk	Failure to ensure we maintain a well-trained, competent and motivated workforce.	Comprehensive programme of training provided across the business including annual assessment needs, competency checks and systems for behaviour and performance monitoring.
Financial risk	Failure to ensure we maintain adequate reserves to ensure the on-going financial requirements of the Charity are met.	Reserves policy regularly reviewed as part of the annual Board assessment in line with the future needs of the business.
Reputational risk	Failure to meet the expectations of our key stakeholders, our partners, staff and customers in the performance and management of the charity's affairs.	Comprehensive partner relations established with key stakeholder groups that have a direct or indirect influence on the performance of the business.
Economic risk	Failure to achieve income levels due to increased competition or a reduction in levels of customers disposable income.	Regular review of pricing against competitors, price promotion and comprehensive systems for gathering customer feedback

WAVE ACTIVE LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05621359 (England and Wales)

Registered Charity number

1113486

Registered office

C/o Downs Leisure Centre
Sutton Road
SEAFORD
BN25 4QW

Trustees

Mr K Ellis	
Mr P Clarke	
Mr E Kihlstrom (Chair)	Appointed 4 April 2022
Mr M Beaumont	
Mr M Price	
Mr M Miller	
Mr A Wisniewski	Resigned 13 March 2023
Cllr L O'Connor	Appointed 24 July 2020
Cllr J Denis	Resigned 22 May 2023
Cllr J Saunders	Appointed 22 May 2023
Ms Cat Harwood-Smith	Appointed 5 June 2023

Company Secretary

Ms D Witts

Auditors

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

Bankers

Cooperative Bank
164/165 Western Road
Brighton
East Sussex, BN1 2BB

Solicitors

Mayo Wynne Baxter
20 Gildredge Road
Eastbourne
East Sussex, BN21 4RP

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Wave Active Ltd 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

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.

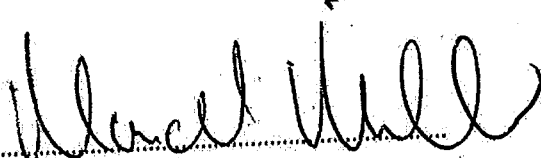
WAVE ACTIVE LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 16 OCT 2023 and signed on the board's behalf by:


.....
Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE ACTIVE LIMITED

Opinion

We have audited the financial statements of Wave Active Ltd (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 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 charitable 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, 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 this gives rise to a material misstatement in the financial statements themselves. 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
WAVE ACTIVE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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 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.

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 company through discussions with directors 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 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.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE ACTIVE LIMITED

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;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 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.

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



Ashley Phillips (FCCA) (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: 16.....October.....2023

WAVE ACTIVE LIMITED**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

				31.3.23	31.3.22
		Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	14,692	-	-	14,692
Charitable activities	4				
Leisure Centre activity		6,291,952	-	9,840	6,301,792
Investment income	3	8,051	-	-	8,051
Total		<u>6,314,695</u>	<u>-</u>	<u>9,840</u>	<u>6,324,535</u>
EXPENDITURE ON Charitable activities	5				
Leisure Centre activity		<u>5,897,404</u>	<u>134,000</u>	<u>97,761</u>	<u>6,129,165</u>
NET INCOME/(EXPENDITURE)		417,291	(134,000)	(87,921)	195,370
Other recognised gains/(losses)					
Actuarial gains on defined benefit schemes		<u>-</u>	<u>3,425,000</u>	<u>-</u>	<u>3,425,000</u>
Net movement in funds		417,291	3,291,000	(87,921)	3,620,370
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>672,011</u>	<u>(720,000)</u>	<u>710,596</u>	<u>662,607</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,089,302</u>	<u>2,571,000</u>	<u>622,675</u>	<u>662,607</u>

The notes form part of these financial statements

WAVE ACTIVE LIMITED (REGISTERED NUMBER: 05621359)**BALANCE SHEET**
31 MARCH 2023

				31.3.23	31.3.22
		Unrestricted funds	FRS 102 Pension Adjustment Un-restricted	Total funds	Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11	342,510	-	965,185	1,012,266
Investments	12	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		342,511	-	965,186	1,012,267
CURRENT ASSETS					
Stocks	13	27,681	-	27,681	21,443
Debtors	14	669,641	-	669,641	622,942
Cash at bank and in hand		<u>1,933,350</u>	<u>-</u>	<u>1,933,350</u>	<u>1,772,595</u>
		2,630,672	-	2,630,672	2,416,980
CREDITORS					
Amounts falling due within one year	15	(986,533)	-	(986,533)	(1,015,231)
		<u>1,644,139</u>	<u>-</u>	<u>1,644,139</u>	<u>1,401,749</u>
NET CURRENT ASSETS					
		1,644,139	-	1,644,139	1,401,749
TOTAL ASSETS LESS CURRENT LIABILITIES		1,986,650	-	2,609,325	2,414,016
CREDITORS					
Amounts falling due after more than one year	16	(897,348)	-	(897,348)	(1,031,409)
PENSION ASSET/(LIABILITY)	20	-	2,571,000	2,571,000	(720,000)
NET ASSETS		<u>1,089,302</u>	<u>2,571,000</u>	<u>4,282,977</u>	<u>662,607</u>

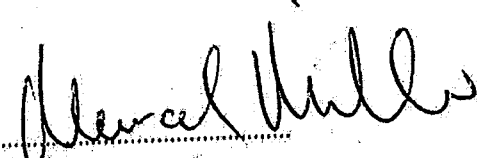
The notes form part of these financial statements

WAVE ACTIVE LIMITED (REGISTERED NUMBER: 05621359)

BALANCE SHEET - continued
31 MARCH 2023

FUNDS	19		
Unrestricted funds		3,660,302	(47,989)
Restricted funds		<u>622,675</u>	<u>710,596</u>
TOTAL FUNDS		<u>4,282,977</u>	<u>662,607</u>

The financial statements were approved by the Board of Trustees and authorised for issue on
16 October 2023 and were signed on its behalf by:


Trustee

WAVE ACTIVE LIMITED**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	<u>404,051</u>	<u>99,750</u>
Net cash provided by operating activities		<u>404,051</u>	<u>99,750</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(151,698)	(160,554)
Interest received		<u>8,051</u>	<u>204</u>
Net cash used in investing activities		<u>(143,647)</u>	<u>(160,350)</u>
Cash flows from financing activities			
New loans in year		-	650,000
Loan repayments in year		<u>(99,649)</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>(99,649)</u>	<u>650,000</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		160,755	589,400
Cash and cash equivalents at the beginning of the reporting period		<u>1,772,595</u>	<u>1,183,195</u>
Cash and cash equivalents at the end of the reporting period		<u>1,933,350</u>	<u>1,772,595</u>

The notes form part of these financial statements

WAVE ACTIVE LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.3.23 £	31.3.22 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	195,370	(168,802)
Adjustments for:		
Depreciation charges	171,471	152,292
Loss on disposal of fixed assets	27,308	-
Interest received	(8,051)	(204)
Increase in stocks	(6,238)	(20,397)
(Increase)/decrease in debtors	(46,699)	5,751
Decrease in creditors	(63,110)	(136,890)
Difference between pension charge and cash contributions	134,000	268,000
Net cash provided by operations	<u>404,051</u>	<u>99,750</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>1,772,595</u>	<u>160,755</u>	<u>1,933,350</u>
	<u>1,772,595</u>	<u>160,755</u>	<u>1,933,350</u>
Debt			
Debts falling due within 1 year	(118,591)	(34,412)	(153,003)
Debts falling due after 1 year	<u>(1,031,409)</u>	<u>134,061</u>	<u>(897,348)</u>
	<u>(1,150,000)</u>	<u>99,649</u>	<u>(1,050,351)</u>
Total	<u>622,595</u>	<u>260,404</u>	<u>882,999</u>

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Statement of compliance

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. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Basis of preparing the financial statements

Under Financial Reporting Standard 102 (Retirement benefits) the surplus on the trust's pension schemes is included in the financial statements and the trust's reserves have therefore been increased by the pension surplus creating net assets of £4,282,976 (2022: net assets of £662,607) at the year end. The management committee are satisfied that the Trust will be able to meet all of its obligations as and when they fall due.

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 and the valuation of the pension deficit in respect of the local government pension scheme.

Incoming resources

Incoming resources from recreation and leisure sites are included in the Statement of Financial Activities when receivable. Income for annual memberships is accounted for over the membership year.

Management Fee

The normal service fee is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Resources expended

All 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. Resources expended include attributable VAT which cannot be recovered.

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.

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Individual fixed assets relating to leasehold property costing £10,000 or more, or vehicles costing £4,000 or more are capitalised at cost. Tangible fixed assets are depreciated on a straight line basis over the remaining term of the lease of the properties or in the case of vehicles, their expected useful life. Depreciation is calculated as follows:

Improvements to property	- Over remaining term of lease
Motor vehicles	- Straight line over 3 years
Plant and machinery	- Over remaining term of lease
Information Technology systems	- Straight line over 5 years

Stocks

Stocks consists of purchased goods for resale and is valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

Unrestricted Funds

Unrestricted funds are incoming resources receivable or generated for the objectives of the Charity without further specified purpose and are available as general funds.

Restricted Funds

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

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Charity operates two pension schemes providing benefits based on final pensionable pay. Contributions to the defined benefit schemes are charged to the Statement of Financial Activities in order to allocate the cost of providing the pension recognising any actuarial surplus or deficit (where appropriate), over the working lives of the relevant employees as assessed in accordance with the advice of professional qualified actuaries. The assets of the schemes are held separately in independently administered funds. Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred. These include contributions to the stakeholder pension schemes and employee's personal pension schemes.

Going concern

In the wake of the COVID-19 pandemic and the Russia invasion of Ukraine companies worldwide continue to experience adverse effects on the availability of employee resources and rising inflation which puts pressure on the cost of supplies to business and the economic health of the consumer. Although UK inflation has dropped from last years predicted high of 10% to 7%, there remains an impact on the charity's financial performance, the most affected areas being profitability, pricing structures, cashflow forecasting and going concern consideration.

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

1. ACCOUNTING POLICIES - continued**Going concern - continued**

Wave Active Limited has reacted to the inflationary pressures by maintaining price increases and employee pay rate increases below inflation. In addition, energy procurement has been undertaken smoothing price increases over the prior and current financial year.

To counter the inflationary pressures, Wave Active Limited will apply the cash reserves as held 31st March 2023 which ensures that it can meet its debts as they fall due, including repayment of COVID-19 related loan which provides for sustainability in the medium term. Long term sustainability will be gained through the capital purchase plans which provides for ongoing investment in the Charity's facilities with specific focus on the reduction in energy consumption.

Growth of the business supports long term sustainability with post balance sheet events that give rise to positive impact on reserves and by mitigating any risk attached to new business opportunities. Management continues to explore new business opportunities with a focus on de-risking the business model.

The business model is reviewed quarterly to ensure that it reflects the latest forecast for inflation along with detailed review of energy pricing from flexible forward purchase contracts for gas and electricity.

Although uncertainty surrounding inflation and energy pricing past 31 March 2025 remains, the Charity has produced forecasts that the Charitable Company will be able to meet its financial obligations as they fall due for the foreseeable future. Therefore, the Board is confident that no material uncertainty exists that would put doubt on the Charity's ability to continue as a going concern and has therefore produced the financial statements on a going concern basis.

2. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Donations	14,692	5,000
Job Retention Scheme income	<u>-</u>	<u>206,053</u>
	<u>14,692</u>	<u>211,053</u>

3. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	<u>8,051</u>	<u>204</u>

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

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.23	31.3.22
	Leisure Centre activity £	Total activities £
Leisure centre income	5,257,041	3,858,792
Management Fee	188,204	146,204
Joint Use Agreement Income	384,707	281,786
Grants	<u>471,840</u>	<u>681,599</u>
	<u>6,301,792</u>	<u>4,968,381</u>

Grants received, included in the above, are as follows:

	31.3.23	31.3.22
	£	£
Eastbourne Borough Council	462,000	462,000
Tackling Inequalities Fund	-	5,000
NLRF (LDC)	-	14,599
SIB Grant	-	200,000
Adult Social Care Infection Control Fund	<u>9,840</u>	<u>-</u>
	<u>471,840</u>	<u>681,599</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Leisure Centre activity	<u>2,243,405</u>	<u>3,885,760</u>	<u>6,129,165</u>

6. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Leisure Centre activity	<u>3,585,096</u>	<u>286,918</u>	<u>13,746</u>	<u>3,885,760</u>

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

7. NET INCOME/(EXPENDITURE)

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

	31.3.23	31.3.22
	£	£
Auditor's remuneration	13,746	10,500
Depreciation - owned assets	171,471	152,292
Hire of plant and machinery	116,542	144,097
Deficit on disposal of fixed assets	<u>27,308</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

There were trustees' expenses paid for the year ended 31 March 2023 totalling £244 formed of; £43 meeting expenses, £38 post expenses and £163 for gifts. There were no trustees' expenses for the year ended 31 March 2022.

9. STAFF COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	2,807,410	2,640,473
Social security costs	188,843	169,681
Other pension costs	<u>211,737</u>	<u>288,416</u>
	<u>3,207,990</u>	<u>3,098,570</u>

Included in the costs above are 2 redundancy payments totalling £3,205 (2022: £nil).

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

	31.3.23	31.3.22
Senior management	11	11
Recreation Sites	78	82
Administration	11	11
Casual Staff	<u>169</u>	<u>134</u>
	<u>269</u>	<u>238</u>

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

9. STAFF COSTS - continued

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

	31.3.23	31.3.22
£90,001 - £100,000	-	1
£110,001 - £120,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

The number of employees earning in excess of £60,000 (for the year and the preceding year) to whom retirement benefits were accruing was as follows:

	2023	2022
Defined benefit schemes	1	1

The total amount of employee remuneration received by key management personnel is £268,788 (2022: £250,331). The Charitable Company considers its key management personnel comprises of the CEO, the Head of Finance and the Head of Commercial Development.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	5,000	-	206,053	211,053
Charitable activities				
Leisure Centre activity	4,948,782	-	19,599	4,968,381
Investment income	<u>204</u>	<u>-</u>	<u>-</u>	<u>204</u>
Total	<u>4,953,986</u>	<u>-</u>	<u>225,652</u>	<u>5,179,638</u>
EXPENDITURE ON				
Charitable activities				
Leisure Centre activity	<u>4,535,342</u>	<u>268,000</u>	<u>545,098</u>	<u>5,348,440</u>
NET INCOME/(EXPENDITURE)	418,644	(268,000)	(319,446)	(168,802)
Transfers between funds	162,664	-	(162,664)	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	<u>-</u>	<u>1,665,000</u>	<u>-</u>	<u>1,665,000</u>
Net movement in funds	581,308	1,397,000	(482,110)	1,496,198

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	90,703	(2,117,000)	1,192,706	(833,591)
TOTAL FUNDS CARRIED FORWARD	<u>672,011</u>	<u>(720,000)</u>	<u>710,596</u>	<u>662,607</u>

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2022	2,155,282	176,239	21,692
Additions	41,414	67,537	11,426
Disposals	<u>(27,397)</u>	<u>(16,604)</u>	<u>-</u>
At 31 March 2023	<u>2,169,299</u>	<u>227,172</u>	<u>33,118</u>
DEPRECIATION			
At 1 April 2022	1,296,782	117,881	5,685
Charge for year	109,774	14,795	3,227
Eliminated on disposal	<u>(12,252)</u>	<u>(4,696)</u>	<u>-</u>
At 31 March 2023	<u>1,394,304</u>	<u>127,980</u>	<u>8,912</u>
NET BOOK VALUE			
At 31 March 2023	<u>774,995</u>	<u>99,192</u>	<u>24,206</u>
At 31 March 2022	<u>858,500</u>	<u>58,358</u>	<u>16,007</u>

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

11. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2022	8,580	187,480	2,549,273
Additions	-	31,321	151,698
Disposals	-	(2,552)	(46,553)
	<u>8,580</u>	<u>216,249</u>	<u>2,654,418</u>
DEPRECIATION			
At 1 April 2022	8,580	108,079	1,537,007
Charge for year	-	43,675	171,471
Eliminated on disposal	-	(2,297)	(19,245)
	<u>8,580</u>	<u>149,457</u>	<u>1,689,233</u>
NET BOOK VALUE			
At 31 March 2023	<u>-</u>	<u>66,792</u>	<u>965,185</u>
At 31 March 2022	<u>-</u>	<u>79,401</u>	<u>1,012,266</u>

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2022 and 31 March 2023	<u>1</u>
NET BOOK VALUE	
At 31 March 2023	<u>1</u>
At 31 March 2022	<u>1</u>

There were no investment assets outside the UK.

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

Wave Active Health Limited (formerly WLT Solutions Limited)

Registered office: Downs Leisure Centre, Sutton Road, Seaford, East Sussex, BN25 4QW

Nature of business: Dormant

	%		
Class of share:	holding		
Ordinary	100	31.3.23 £	31.3.22 £
Aggregate capital and reserves		1	1

WAVE ACTIVE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2023**13. STOCKS**

	31.3.23	31.3.22
	£	£
Stocks	<u>27,681</u>	<u>21,443</u>

14. DEBTORS

	31.3.23	31.3.22
	£	£
Amounts falling due within one year:		
Trade debtors	205,831	303,417
Amounts owed by group undertakings	750	750
Other debtors	34,673	37,413
Prepayments and accrued income	<u>370,337</u>	<u>223,312</u>
	<u>611,591</u>	<u>564,892</u>
Amounts falling due after more than one year:		
Other debtors	<u>58,050</u>	<u>58,050</u>
Aggregate amounts	<u>669,641</u>	<u>622,942</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Other loans (see note 17)	153,003	118,591
Trade creditors	150,068	332,186
Social security and other taxes	79,359	76,495
Other creditors	113,385	89,723
Accruals and deferred income	<u>490,718</u>	<u>398,236</u>
	<u>986,533</u>	<u>1,015,231</u>

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

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

	31.3.23	31.3.22
	£	£
Other loans (see note 17)	<u>897,348</u>	<u>1,031,409</u>

The Charitable Company received an unsecured loan of £500,000 from Lewes District Council in 2020/21. The loan was issued at an interest rate of 2.75% which shall accrue daily from the draw down of the loan. The first payment of interest shall be made on the last business day of March 2023.

In the year the Charitable Company secured a Coronavirus Business Interruption Loan of £650,000 repayable over 5 years. Interest is charged at 7.0%.

Social Investment Business FM Limited hold a fixed charge and a floating charge covering all the property or undertaking of the Charitable Company.

17. LOANS

An analysis of the maturity of loans is given below:

	31.3.23	31.3.22
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>153,003</u>	<u>118,591</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>164,185</u>	<u>169,416</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>233,163</u>	<u>361,993</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments:		
Other loans more 5yrs non-inst	<u>500,000</u>	<u>500,000</u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.23	31.3.22
	£	£
Within one year	3,169	115,085
Between one and five years	<u>10,330</u>	<u>8,016</u>
	<u>13,499</u>	<u>123,101</u>

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

19. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	672,011	417,291	1,089,302
FRS 102 Pension Adjustment			
Un-restricted	<u>(720,000)</u>	<u>3,291,000</u>	<u>2,571,000</u>
	(47,989)	3,708,291	3,660,302
Restricted funds			
Ancient History Centre	27,968	(3,460)	24,508
Newhaven Fort Recovery	<u>682,628</u>	<u>(84,461)</u>	<u>598,165</u>
	<u>710,596</u>	<u>(87,921)</u>	<u>622,675</u>
TOTAL FUNDS	<u>662,607</u>	<u>3,620,370</u>	<u>4,282,977</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	6,314,695	(5,897,404)	-	417,291
FRS 102 Pension Adjustment				
Un-restricted	<u>-</u>	<u>(134,000)</u>	<u>3,425,000</u>	<u>3,291,000</u>
	6,314,695	(6,031,404)	3,425,000	3,708,291
Restricted funds				
Ancient History Centre	-	(3,460)	-	(3,460)
Newhaven Fort Recovery	-	(84,461)	-	(84,461)
Adult Social Care Infection Control Fund	<u>9,840</u>	<u>(9,840)</u>	<u>-</u>	<u>-</u>
	<u>9,840</u>	<u>(97,761)</u>	<u>-</u>	<u>(87,921)</u>
TOTAL FUNDS	<u>6,324,535</u>	<u>(6,129,165)</u>	<u>3,425,000</u>	<u>3,620,370</u>

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

19. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	90,703	418,644	162,664	672,011
FRS 102 Pension Adjustment				
Un-restricted	<u>(2,117,000)</u>	<u>1,397,000</u>	<u>-</u>	<u>(720,000)</u>
	(2,026,297)	1,815,644	162,664	(47,989)
Restricted funds				
Ancient History Centre	31,429	(3,461)	-	27,968
Big Lottery	92,613	(92,613)	-	-
Newhaven Fort Recovery	818,522	26,770	(162,664)	682,628
Tackling Inequalities Fund	5,000	(5,000)	-	-
Summer Events Programme	8,500	(8,500)	-	-
National Leisure Recoverability Fund	<u>236,642</u>	<u>(236,642)</u>	<u>-</u>	<u>-</u>
	<u>1,192,706</u>	<u>(319,446)</u>	<u>(162,664)</u>	<u>710,596</u>
TOTAL FUNDS	<u>(833,591)</u>	<u>1,496,198</u>	<u>-</u>	<u>662,607</u>

Comparative 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	4,953,986	(4,535,342)	-	418,644
FRS 102 Pension Adjustment				
Un-restricted	<u>-</u>	<u>(268,000)</u>	<u>1,665,000</u>	<u>1,397,000</u>
	4,953,986	(4,803,342)	1,665,000	1,815,644
Restricted funds				
Ancient History Centre	-	(3,461)	-	(3,461)
Big Lottery	-	(92,613)	-	(92,613)
Newhaven Fort Recovery	-	26,770	-	26,770
Job Retention Scheme	206,053	(206,053)	-	-
Tackling Inequalities Fund	5,000	(10,000)	-	(5,000)
Summer Events Programme	-	(8,500)	-	(8,500)
National Leisure Recoverability Fund	<u>14,599</u>	<u>(251,241)</u>	<u>-</u>	<u>(236,642)</u>
	<u>225,652</u>	<u>(545,098)</u>	<u>-</u>	<u>(319,446)</u>
TOTAL FUNDS	<u>5,179,638</u>	<u>(5,348,440)</u>	<u>1,665,000</u>	<u>1,496,198</u>

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

19. MOVEMENT IN FUNDS - continued

Ancient History Centre

The Charity has received funding of £55,000 via East Sussex County Council to transform a relatively tired existing exhibition in one of the casemates, into a new exhibition/learning resource. This space now tells the story of how Newhaven and surrounding areas were inhabited during pre-roman times, and offers events programs to the public. The full funding of £55,000 has been capitalised in 2017/18 and written down over the remaining period of the lease for the site with Lewes District Council. During the year to 31st March 2023 there was expenditure of £3,460 (2022: £3,461), leaving a restricted fund balance of £24,508 (2022: £27,968).

Heritage Cultural Recovery Fund

Awarded by the Department of Digital, Cultural, Media and Sport, administered by the Heritage Lottery Fund. A total of £850,000 was awarded specifically for Newhaven Fort to enable it to relaunch in spring 2021. Overall purpose of the grant was to create an on-site visitor experience which complies with Government COVID-19 safe working protocols. Exhibition spaces were reviewed, adapted and renewed along with ticketing, tea room and shop to enable social distancing. The use of 'virtual' and 'digital' technology was applied to improve the visitor experience both on and off site. The grant was deemed to be of a restrictive capital nature with £766k being treated as Fixed Asset additions with the majority of the spend in 2021/22 relating to physical building works and interactive audio visual displays. During the year to 31st March 2023 there was expenditure of £84,461 (2022: £26,770), leaving a restricted fund balance of £598,168 (2022: £682,626).

Adult Social Care Infection Control Fund

Funds were made available by the Government to enable organisations to help to combat the spread of Covid-19 infections. During the year ended 31st March 2023 there was income of £9,840 matched against expenditure of £9,840, leaving a restricted fund balance of £nil.

20. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit scheme in the UK. The pension cost and provision for the year are based on the advice of a professionally qualified actuary the most recent full actuarial valuation is dated 31 March 2022. A roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension 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.

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.23	31.3.22
	£	£
Current service cost	184,000	218,000
Net interest from net defined benefit asset/liability	18,000	44,000
Admin cost	8,000	6,000
	<u>210,000</u>	<u>268,000</u>
Actual return on plan assets	<u>287,000</u>	<u>204,000</u>

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

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.23	31.3.22
	£	£
Opening defined benefit obligation	11,799,000	12,133,000
Current service cost	184,000	218,000
Contributions by scheme participants	61,000	40,000
Interest cost	305,000	248,000
Benefits paid	(169,000)	(121,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	506,000	-
Actuarial (gains)/losses from changes in financial assumptions	(5,595,000)	(744,000)
Obligations other remeasurement	<u>879,000</u>	<u>25,000</u>
	<u><u>7,970,000</u></u>	<u><u>11,799,000</u></u>

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

	Defined benefit pension plans	
	31.3.23	31.3.22
	£	£
Opening fair value of scheme assets	11,079,000	10,016,000
Contributions by employer	76,000	-
Contributions by scheme participants	61,000	40,000
Expected return	287,000	204,000
Benefits paid	(169,000)	(121,000)
Assets no descr	(8,000)	(6,000)
Remeasurements:		
Return on plan assets (excluding interest income)	(591,000)	946,000
Assets other remeasurement	<u>(194,000)</u>	<u>-</u>
	<u><u>10,541,000</u></u>	<u><u>11,079,000</u></u>

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

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.23	31.3.22
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	(506,000)	-
Actuarial (gains)/losses from changes in financial assumptions	5,595,000	744,000
Oblig other remeasurement	(879,000)	(25,000)
Return on plan assets (excluding interest income)	(591,000)	946,000
Assets other remeasurement	<u>(194,000)</u>	<u>-</u>
	<u>3,425,000</u>	<u>1,665,000</u>

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

	Defined benefit pension plans	
	31.3.23	31.3.22
Equities	71%	74%
Bonds	12%	16%
Property	16%	8%
Cash	<u>1%</u>	<u>2%</u>
	<u>100%</u>	<u>100%</u>

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	2.90%	3.15%
Future pension increases	2.90%	3.15%

Amounts for the current and previous four periods are as follows:

	2023	2022	2021	2020	2019
Defined benefit pension plans					
Defined benefit obligation	(7,970,000)	(11,799,000)	(12,133,000)	(9,062,000)	(11,146,000)
Fair value of scheme assets	10,541,000	11,079,000	10,016,000	8,333,000	9,161,000
(Deficit)surplus	2,571,000	(720,000)	(2,117,000)	(729,000)	(1,985,000)

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

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Lewes District Council has given a legal undertaking guaranteeing that if any sums are due and owing to the pension scheme by the Charity pursuant to the terms of the pension admissions agreement between the Charity and Lewes District Council dated 31 March 2006, that Lewes District Council will make good any deficit in the event of the liquidation or winding up of the charitable company. As this indemnity represents a contingent asset it has not been reflected in the financial statements.

Sensitivity Analysis

Changes in assumptions at 31 March 2023	Approx % Increase to Employer Liability	Approximate Monetary Amount (£000)
0.1% decrease in Real Discount Rate	1.89%	151,000
0.1% increase in Salary Increase Rate	0.11%	9,000
0.1% increase in the Pension Increase Rate	1.77%	141,000

21. CAPITAL COMMITMENTS

	31.3.23	31.3.22
	£	£
Contracted for but not provided for in the financial statements	16,647	-

As at 31 March 2023 there was capital expenditure authorised by the senior leadership team but not contracted for of £16,647 (2022: £Nil).

22. RELATED PARTY DISCLOSURES

The Charity has a very close relationship with Lewes District Council, however it is not considered to be a related party due to the control criteria not being met.

A member of the Key Management Personnel, Neil Harrison, had a family connection with an employee at Wave Active Limited. The employee commenced employment in 2022/23:

	31.3.23	31.3.22
	£	£
S Harrison Salary	2,366	-

23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party. The Board of Trustees and the management team are responsible for the strategic and operational decisions of the charity.

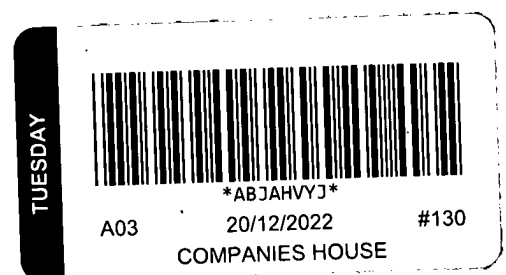
WAVE ACTIVE LIMITED

England & Wales - Charity number 1113486

Accounts

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
WAVE ACTIVE LIMITED
PREVIOUSLY KNOWN AS WAVE LEISURE TRUST

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



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FOR THE YEAR ENDED 31 MARCH 2022

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. 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).

OBJECTIVES AND ACTIVITIES

Objects of the Charity

The Objects of the Charity per the Memorandum of Association are:

- To provide or assist in the provision of facilities and services for recreation, sport, culture or other leisure time occupations and the interest of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who, by virtue of their youth, age, infirmity, disability, poverty or social or economic circumstances may have need for special facilities or services.
- To promote community participation in healthy recreation.
- To advance the education of the general public on the benefits of active lifestyles, and in particular the value of physical activity for young people.
- Any other charitable activity beneficial to the local community consistent with the above objectives.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Public benefit

The Trustees confirm that they have complied with the duties in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on 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 Charity provides leisure services to the residents primarily, but not restricted to the Lewes District area of East Sussex. For example, elements of work, aligned to objects and core business activities are conducted in Eastbourne.

The Charity provides leisure and recreational services at the following facilities:

- Downs Leisure Centre, Seaford
- Lewes Leisure Centre, Lewes
- Peacehaven Leisure Centre, Peacehaven
- Seahaven Swim and Fitness Centre, Newhaven
- Seaford Head Swimming Pool
- Ringmer Swimming Pool (temporarily closed)
- Shakespeare Hall, Newhaven
- Newhaven Fort, Newhaven
- East Grinstead Sports Club, East Grinstead (to 31st December 2022)
- Hampden Park Sports Centre, Eastbourne
- Eastbourne Sports Park
- Shinewater Sports Centre, Eastbourne
- Cavendish Sports Centre, Eastbourne (to 31st August 2022)
- Motcombe Swimming Pool, Eastbourne (temporarily closed)
- Regency Park Community Centre, Eastbourne
- Sovereign Harbour Community Centre, Eastbourne
- Skyhigh Trampoline Park

Facilities provided include; gym and fitness suites, swimming pools, sports halls, outdoor areas, squash courts, soft play and meeting rooms at various locations. A varied programme of holiday scheme activities and special events are also provided. The Charity contributes to the health and wellbeing of the population and agrees an annual series of targets with the local authority that demonstrates its reach and effectiveness.

The Charity offers a wide range of membership options and also allows customers to use the facilities on a pay and play basis. There are special discounted memberships available specifically for juniors, students and seniors and for couples.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STRATEGIC REPORT**Achievement and performance****Charitable activities**

The Charity completed its 16th year of trading after its transition from a Local Authority controlled service to a Charitable Company in 2006.

On 20th March 2020, the Government instructed all leisure centres to close with immediate effect and that lock-down remained in place until 25th July 2020 at which point leisure centres could re-open but only if strict health and safety measures, including social distancing were implemented and maintained. As the year progressed the Charity was subjected to two further periods of lockdown, the second commencing 4th November 2020, re-opening on 3rd December 2020 and the third starting 24th December 2020, re-opening for outdoor activities on 29th March 2021, followed by gym and swim on 12th April and finally re-opening for Group Exercise on 17th May 2021.

Newhaven Fort and Skyhigh Trampoline Park

In relation to Newhaven Fort, a water mains leak prevented the site from re-opening post lockdown and although a significant grant of £850,000 from DCMS, distributed via the Heritage Lottery Fund, was awarded, it was agreed that the Fort would remain closed until spring 2021. Skyhigh Trampoline Park reopened for peak times in September 2021.

Staffing

Whilst the Furlough Scheme supported with the retention of staff, as the first period of lockdown continued, it became clear that, inevitably, redundancies would be required to reflect the new reality and structure of operations.

The restructure cut across every department, supporting the key objective to reduce the financial burden, protect cash whilst maximising revenue opportunities and that approach has remained in place ensuring staff costs as a percentage of income remains at circa 52%, much lower than previous years.

Through the course of the 2021/22 financial year, recruiting into vacant full time contractual posts has proven to be very challenging. In some instances, this has affected the ability for the Charity to offer services and restricted activity programme development.

Finance

The Charity produced a 3-year financial model illustrating performance moving from a position of £1.4 million loss in 2020/21 to a projected £48,000 surplus by the end of the 2022/23 financial year based on:

2020/21 "Restart" stripped model based on re-opening 25th July 2020.

2021/22 "Rebuild" based on 50% of pre lockdown non-membership income.

2022/23 "Recover" return to 2020/21 pre lock-down non-membership activity.

Unfortunately, due to further lockdowns the timeline associated with the financial model were unachievable. However, the targets remained, albeit with revised timeline.

Figure 1 highlights the assumptions used to prepare the model and the actual performance achieved:

Figure 1

Income Assumption	Income Performance Achieved
Membership Direct Debit collection commencing August 2020.	Membership Direct Debit collections fully resumed in June 2021
Membership return assumed at 55% of pre-lock-down rate rising 2% monthly to the end of the financial year.	Membership returned at 64% of pre-lock-down rate and rose to 85% at the end of the financial year
Swim activities returning Sept 2020.	Bookable swim sessions commenced September 2020 and Swim School direct debits resumed October 2020.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT - continued

Achievement and performance – continued

Figure 1 - continued

Swim lessons collection return rate set at 45% rising 2% per month.	Swim School collections resumed fully in June 2021 at 67% pre-lock-down rate and rose to 106% at the end of the financial year
Pay As You Go (PAYG) and casual use was assumed at 30% of pre lockdown activity from January 2021 rising to 50% in 2021/22 and 100% in 2022/23.	PAYG and Casual use reached 44% in 2021/22, and outdoor bookings returned to 65%, average across all sites.
Inflation set as RPI - 2.5% from January 2021.	Prices rose by an average of 3.5% in 2021.
Expenditure Assumption	Expenditure Performance Achieved
Inflation set as RPI - 2.5% from April 2021, and CPI for employee costs - 2% from April 2021.	Employee costs were increased by the CPI December 2021 of 5.4%.
Employee costs in 2020/21 included cost of restructuring.	£158,156 employee costs were incurred as part of the 2020/21 restructuring.
ITC remained fully costed.	Deferred payment terms agreed for key licence fees and equipment leases.
Variable cost base including employees to rise with return of non-membership income.	Variable costs were maintained in line with KPI's
Skyhigh Trampoline Park lease break at 31st March 2021 with no assignment.	The lease was not assigned, Skyhigh Trampoline Park reopened September 2021, trading in peak hours Friday through to Monday.
Recovery of central service costs from Heritage and Culture Recovery Grant not included.	£34,750 recovery of central costs were earned
New operational income streams and grants awarded for provision of services excluded on the basis that income will match costs.	£200,000 CBIL's grant was awarded in July 2021.

As presented in the 2020/21 Report of the Trustees, the way forward plans for future periods focused on a three phased recovery:

Phase 1; "Building Confidence"

The theme of the Charity's approach to re-mobilisation was "Building Confidence" and there is no doubt from survey results and feedback that customers felt confident in the measures implemented by the team. In addition, on the back of appropriate training, it was clear that the staff were confident about working and achieving within a social distanced environment along with understanding the barriers to participation for members and customers.

As a period of time, phase 1 provided the opportunity to look to the future, attempt to understand challenges within a changed landscape, reflect on Charitable Objectives, ensure the Charity's Purpose and Vision remained relevant and to ensure that required changes were embraced in order to give the optimal chance of surviving the short term, but also thriving in long run. Given the circumstances, the Charity's Purpose "Inspiring Active Lifestyles" and Vision "to be at the heart of the improvement of health and wellbeing in the community" felt even more relevant and, as such a renewed commitment and vigor to deliver a programme of health conditioned focused activities.

It was anticipated that the "Building Confidence" theme would continue until the end of the 2020/21 financial year at which point it was estimated that 71% of Gym, Swim and Classes members and 57% of swim school members would be financially engaged providing a new foundation to Phase 2 - "Build Back Better". Unfortunately, due to further lockdowns gym and swim activities did not return until 12th April 2021 and Group Exercise Classes on 17th May 2021 so it became impossible to achieve the targets.

Since re-opening, although a significant number of pre-covid customers have returned, there is no doubt that 'confidence' remains a barrier for some, particularly within the older people age band. However as the programme of Health Condition focused activities builds, the hope is that there will be a resulting increase in older people participation.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT - continued

Achievement and performance – continued

Phase 2; "Build Back Better"

31st March 2021 brought to an end the original contractual arrangement between the Charity and Lewes District Council. However, despite the challenging circumstances the Charity was able to successfully negotiate a new 10-year agreement with Lewes District Council ending 2031 with the potential for a further 5 year extension. In addition, to support with the immediate financial pressure, Lewes District Council provided a loan of £500,000 to ease cash flow pressures.

With a new 10-year agreement with Lewes District Council in place the Charity was able to implement its "Build Back Better" Strategy which focused on three key areas:

1. Rebuild
2. Funding and Investments
3. Community Health

Phase 3; "Re-build"

COVID-19 and lockdown provided the opportunity to redesign day to day operations, streamlining to reduce costs, and establish new foundations to maximise revenue streams and the relationship with the customer base.

Several 'in site' measures have been implemented to ensure efficient operations including reduced opening hours and reduced staff head count.

However, "Build Back Better" was not just about reducing head count but also re-focusing cost to maximise return. For example, outsourcing Marketing and Communications (Marcomms) to a local external provider "Cobb PR and Marketing" who also provide Marketing and Communication support to a number of the Charity's key partners, including Lewes District and Eastbourne Borough Councils. This new partnership with Cobb has continued, albeit with some refinement and associated cost reduction, leading to the introduction of a new member of the internal Marketing Team.

Whilst the rebuilding process continues, the structure of the Charity has remained stable and settled for over six months, in part due to the introduction of a new Senior Operations Manager co-ordinating and communicating in the heart of the front line team. This new role has proven to be immensely valuable in supporting sites staff, addressing key issues quickly whilst driving performance and maintaining standards.

Funding and Investment

Either through utilisation of the Charity's funds, successful grant and loan applications, or in partnership with key stakeholders, e.g. Lewes District Council and Eastbourne Borough Council, there are a number of potential 'in site' projects to be implemented including:

Site	Project	Purpose	2021 update
Downs Leisure Centre	Move Gym to Indoor Play Area (Dino's)	Revenue Generation Customer Satisfaction	Complete
Downs Leisure Centre	Refurbishment of site	Revenue Generation Customer Satisfaction	Complete
Peacehaven Leisure Centre	Extension to Gym to expand Strength Weights Area	Revenue Generation Customer Satisfaction	In progress
Lewes Leisure Centre	Gym/Spin Extension	Revenue Generation Customer Satisfaction	Gym extension complete
Seahaven Leisure Centre	Rebuild or Identify Suitable Alternative.	Revenue Generation Customer Satisfaction	In progress

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT - continued**Achievement and performance – continued**

Eastbourne Sports Park	Create Gym Facility and Academic Teaching Space	Increase Student Numbers Improve Teaching Experience Revenue Generation Customer Satisfaction	Complete
Newhaven Fort	Improve visitor experience through a series of projects linked to:- Health, Safety and Environment- Visitor Attractions- Restoration	Increase Visitor Numbers Revenue Generation Improve Visitor Experience	Towns Fund Project in Progress

In addition, the Charity continues to explore new relevant contract and investment opportunities aligned to the Charity's Purpose, Vision and Charitable Objectives as they arise.

3. Community Health

The Charity has been at the heart of community health since 2006 and has well-established and respected partnerships with several Public Health Partners including East Sussex Public Health and the NHS in relation to the delivery of commissioned services supporting those in greatest need with physical and mental health conditions; services that will prove invaluable in the coming months and years to support those affected by COVID-19.

In line with the defined outcomes from a Board Strategy Planning Meeting held early in 2022, a renewed commitment to expand the range of health conditioned partnerships and activity sessions have been formed and implemented. For example, the introduction of the "Make a Move" Project incorporating "MoveMore" activity sessions.

"Make a Move" aims to improve the health and life chances of adults and has three primary objectives:

1. Adult's physical and mental health will be improved through accessing a range of i-centric focussed health/wellbeing activities.
2. Adult's physical and mental health will be improved through accessing health condition specific group activity sessions.
3. Adult's emotional wellbeing will be improved by attending socially inclusive activities within community settings and green spaces.

In addition to specific health condition sessions, e.g., cardiac, stroke and cancer rehab session, new multi health condition-based sessions have been introduced across the Charity supporting those most in need of physical activity for health improvement or maintenance.

Also, new partnerships have been created, for example, in partnership with South Downs Health and Care GP Federation, new Long Covid-19 support sessions are being provided, supporting those who have been most affected by the physical, mental and emotional impact of the Covid-19 Virus.

Finally, a three-part joint proposal has been presented to Lewes District Council which, if approved would bring about the formation of a new Health Hub in Newhaven Town Centre combining GP and other Primary Health Care Services with leisure centre facilities and activities. The Health Hub project will be a key focus through the 2022/23 financial year, hopefully completing and opening at some in 2024.

Recovery Timeline

As presented, through the implementation of the Charity's "Build Back Better" Strategy, the aim remains to rebuild back to the 2021 pre-lockdown budget by March 2023, stabilise and repay CBILs loan between by 2026 and 2030 and settle any local council loans thereafter. As of 31 December 2022, the contract with East Grinstead Sports will be terminated by mutual agreement.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT - continued

Achievement and performance - continued

Fundraising activities

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 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.

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

- The Trustees will have regard to the Charity Commission's 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 stated mission and 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.

Financial review

Financial Position

The Charity has been working to an updated service plan which was the basis on which the service fee from Lewes District Council was secured. The results for this fifteenth year continue to demonstrate the value of this plan and the practice of monitoring against the plan.

Incoming resources exceeded expended resources by £99,198 (2021: incoming resources exceeded outgoing resources by £74,045) before pension adjustments. The surplus for the financial year includes restricted fund income of £225,652 of which £206,053 is a rebate under the Job Retention Scheme (refer Note 2). In addition, the surplus for the year has been impacted by the receipt of a Social Investment Business grant of £200,000. A total of £319,446 restricted funds brought forward from 2020/21 were matched with expenditure in 2021/22.

The principal incoming resources arising from operations totalling £4,953,986 (2021: £1,744,545) were from the service fees from Lewes District Council, grant from Eastbourne Borough Council, joint user arrangements, membership fees, swimming and other health and fitness activities.

Expended resources of £5,348,440 (2021: £4,952,097) includes £545,098 (2021: £2,019,866) in relation to the restricted incoming resources brought forward from 2021, the principal restricted operational expenditure being employee costs of which £206,053 (2021: £1,878,882) were covered by the Coronavirus Job Retention Scheme (refer Note 2).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Financial review

Investment powers

Under the Memorandum and Articles of Association, the Charity has the power to invest any monies not immediately required for its objects in or upon such investments, securities or property as may be thought fit.

The Charity having regards to the liquidity requirements of operating the centres and to the reserves policy has operated a policy of keeping available funds in interest bearing Public Sector Reserve Accounts. During 2021/22, with interest rates remaining low, the Trust sought to maximise the interest earning potential by investing £601,000 of available funds with the Nationwide Building Society and £451,000 with Virgin Money. Subsequent to the year end a further £450,000 cash reserves were invested.

Borrowing powers

Under the Memorandum and Articles of Association, the Charity has the power to borrow and raise money for the objects of the Company on such terms and conditions and on such security as may be thought fit. During the year to 31 March 2021 Charity secured a loan of £500,000 from Lewes District Council to provide working capital during closure. The loan is due for repayment in full after 10 years. In the year to 31 March 2022 the Charity drew down a CBIL's loan of £650,000, a government backed loan made available as a direct result of the COVID-19 pandemic to provide working capital to aid recovery and reinvestment in operating assets; repayment of the loan is over 48 months from August 2022 and carries an interest payable of 7%.

Reserves policy

The Charity, prior to the COVID-19 pandemic, had accumulated a favourable cash flow position. It also receives some income such as service fees and grants in advance of its expenditure. The Trustees, however, recognise the need for a buffer of financial reserves that will protect the Charitable Company from the possibility of any adverse unforeseen circumstances. These include a number of specific risks that have been identified in the Charitable Company's Risk Register. The key financial risk is access to cash, which is determined by the level, timing and certainty of the Charity's income and the phasing and control of expenditure. The Charity's budget process identifies peaks and troughs in cash flow and it is deemed essential that sufficient funds are available at all points in the cycle.

Trustees have examined the requirement for any useable reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. In defining the reserves policy Trustees have been mindful of the requirements within the following areas:

- Insurance
- IT
- Pension Liability
- Development Fund

In light of the direct impact on reserves as a consequence of the COVID-19 pandemic, as of 31 March 2021 the Designated Funds totalling £763,523 were released into the General Fund leaving a total of £90,703 in Unrestricted Funds brought forward 1st April 2021 (refer Note 20). The Trustees will review reallocation of funds to the defined Unrestricted funds after a period of 4 years to allow for the company to recover and rebuild post the COVID-19 pandemic and repay in full the CBILs loan (refer Note 20).

Pension and Tax Reserve

Within Unrestricted Reserves the Charity has a pension scheme liability of £720,000 (2021: £2,117,000) as of 31 March 2022. In the short term, the cash flow impact of having a pension scheme liability is that employer contributions may increase to reduce the liability. The Charity will always pay the employer contribution rates set by the pension scheme actuaries which as of 31 March 2020 for 3 years will be 0% per an independent scheme valuation.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Financial review

Significant post year end events

The Trustees are pleased to report that the transfer of the provision of health and leisure activities of The Sovereign Centre from Eastbourne Borough Council to Wave Active Limited as of 1st June 2023 was ratified by the Council on 3rd November 2022. The contract with East Grinstead Sports Club terminates as of 31 December 2022.

On the 28th November 2022, the Trustees approved a renaming of the company to Wave Active Limited.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Wave Active Limited is a Charitable Company limited by guarantee. It was incorporated on 14 November 2005, registered as a Charity on 14 March 2006 and commenced trading on 1 April 2006. The Charity passed a special resolution on 10 January 2006 changing its name from Lewes District Leisure Trust Limited to Wave Active Limited.

The Charity was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

Recruitment and appointment of new trustees

Appointment of Trustees

As set out in the Articles of Association the Board shall consist of at least six and not more than nine Trustees all of which shall be required to become a member of the Charity.

The Board of Trustees shall consist of:

- A maximum of two Local Authority Trustees
- One Employee Trustee (if determined by the Charity)
- One individual appointed to be the Chief Executive Officer Trustee (if determined by the Charity)
- No less than four or more than nine other individuals appointed as Community Trustees.

In exercising their powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Trustees, both the members and Trustees shall seek to ensure that the Board is representative of those with an interest in the facilities and services offered by the Charity and also comprises persons with a broad range of skills and who are likely to contribute to the Charity's success.

The Local Authority Trustee/s shall be nominated by Lewes District Council to serve for such period of office as shall be confirmed by Lewes District Council.

On the back of the Employee Trustee and CEO Trustee resigning, The Charity determined that replacements would not be appointed.

At the first Annual General Meeting after the Charity has commenced its activities all of the Trustees shall retire but will be eligible for reappointment without requirement for nomination. At each Annual General Meeting held thereafter, one third of the Community Trustees must retire, those longest in office retiring first and the choice between any equal service being made by drawing lots.

No Trustee shall serve on the Board for more than nine years in total.

All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses redeemed by the Charity are set out in note 8 to the accounts.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Trustee Induction and Training

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.

In 2021/22, internal training for Trustees comprised the following:

- Expression of Interest pack including application forms, details of the work of the Charity and the role and expectations of Trustees
- Selection meetings with the CEO and Chair of Trustees
- Invitation to attend a Board meeting prior to becoming a Trustee
- Visits to the facilities and meeting key staff
- Invitation to attend the meetings of Sub Groups
- On-going training in legislation and responsibilities of Trustees

External training is arranged through the Head of People and Culture. Courses relevant and likely to be of interest to Trustees in enhancing their own performance and knowledge are identified through links with local voluntary service organisations, AVECO, the Charity Commission and other Charity Training web sites.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT**Organisation**

The Board of Trustees administers the Charity. The Board meets every second month and there are three Sub Groups covering Finance and Audit, Governance and Health and Safety which meet regularly.

On a biennial basis, Trustees attend a strategic away day to review performance, re assess market conditions and prepare a tactical plan for the future. In keeping with the time frames a Trustee Away Day was held on 15 January 2022.

In addition to training, one new Trustee was inducted to the Board. Figure 2 highlights the core skill sets and experiences of the current Board:

Figure 2

Serving Board Members	Occupation	Core Skills	Gender
Mark Beaumont	Founder/MD/ Entrepreneur	Business start-up and new product development	Male
Phil Clarke	Retired Director Tesco Stores Ltd	Private sector - retail and service management	Male
Mike Price	Retired Head Teacher Barnados	Public and Charity sector - Special Needs Education	Male
Alan Wisniewski	Retired Sales & General Manager	Strategy, Financial Management, Auditing, Information Technology, Social Care Services	Male
Kevin Ellis	Private Maths Tutor	Strategy, Financial Management, Accountancy, Treasury Management, Governance, Training & Development	Male
Marcel Miller	Treasurer	Financial Management, Accountancy, Banking, Treasury	Male
Eric Kihlstrom (Chair)	Chairman/Trustee	Management, Insurance, Pensions	Male
Cllr Laurence O'Connor	Dept for Work & Pensions	Strategy, Financial Management, National Governing Bodies, Healthcare Services, Social/Care Services	Male
Cllr Johnny Denis	Cabinet Member for Customers & Communities	Working with Local Authorities Fundraising, Strategy, Community Relations and Governance	Male

At the board meeting of 3rd October 2022 Mark Beaumont resigned as Chairman and Eric Kihlstrom expressed an interest which was accepted by a majority vote with immediate effect. Eric Kihlstrom's chairmanship will be ratified by the Board at the AGM to be held 5th December 2022.

In addition, David Hearn was also retained as a Co-opted Trustee and continues to support The Trust as Chairman of the Health and Safety Sub Group.

On the back of a change to the Articles of Association, enabling a second Local Authority Trustee Representative to be appointed, on 8th December 2021 Councillor Johnny Denis joined the Board.

In addition, on 4th April 2022 (Eric's first Board Meeting) Eric Kihlstrom, a new Community Trustee joined the Board and is currently working through the induction process.

The total number of Trustees currently on the Board stands at nine.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The CEO and Board Members have agreed specific work areas for the Board, and this is drawn up in Matters Reserved for the Board. Each of the Sub Groups have specific Terms of Reference for their areas of responsibility and this is reviewed annually. A Chair for the Board is elected at each AGM. The Chair nominates Trustees to undertake the role of Chair of each of the Sub Groups. The Chairs of each Sub Group are selected at the first meeting after the AGM.

Schedule of the work that the Board operates is provided in figure 3:

Figure 3

Wave Active Limited	Minimum Frequency	Method of Scrutiny	Elected Chair	No. of Trustees
Full Board of Trustees++	7 per annum including the AGM (although additional meetings may be called as required)	Matters Reserved for the Board agreed and in place	Mark Beaumont (resigned 3/10/22 - replaced by Eric Kihlstrom 5/12/22)	9
Governance Sub Group	6 per annum	Terms of Reference agreed and in place	Mike Price	3
Health and Safety Sub Group	4 per annum	Terms of Reference agreed and in place	David Hearn	2
Finance and Audit Sub Group	6 per annum	Terms of Reference agreed and in place	Marcell Miller	3

At each full Board meeting, the agenda includes the opportunity for the Chair of each Sub Group to report on their work plan.

Figure 4

Name	Full Board (incl AGM)	Governance Sub Group	Finance & Audit Sub Group	Health & Safety Sub Group
Mark Beaumont (Chair - resigned 03/10/22) Registered: 16/07/15	7/8	N/A	5/7	N/A
Mike Price Registered: 16/07/15	7/8	Chair 6/6	N/A	N/A
Phil Clarke Registered: 25/02/16	8/8	5/6	N/A	N/A
Kevin Ellis Registered: 31/07/2018	6/8	N/A	7/7	N/A
Marcel Miller Registered: 22/02/2018	8/8	N/A	Chair 7/7	N/A
Alan Wisniewski Registered: 26/05/2017	4/8	6/6	N/A	N/A

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Figure 4 - continued

Name	Full Board (incl AGM)	Governance Sub Group	Finance & Audit Sub Group	Health & Safety Sub Group
Cllr Laurence O'Connor	7/8	N/A	N/A	4/4
Cllr Johnny Denis	6/8	N/A	N/A	N/A
Co-opted David Hearn	8/8	N/A	N/A	Chair 4/4

Board and Trustee Evaluation

In 2021/22, the Governance Sub Group, of three trustees, continued to review matters in line with the annual work plan which includes a comprehensive review of the Governance arrangements of the Charity. As well as identifying areas to strengthen current arrangements around policy and procedures.

To facilitate the effective operation of the Charity, the Board has delegated the responsibility of administering the Charity to the Business Development Team of six officers. The Business Development Team meets on a regular basis and is made up of:

- Chief Executive Officer
- Head of Finance and Resources
- Head of Commercial Development
- Head of People and Culture
- Head of Marketing and Stakeholder Engagement.
- Head of Property, Quality and Compliance.

The Business Development Team is supported by two Area Managers, a Site Manager, Aquatics Development Coordinator, Membership Sales and Retention Coordinator, Senior Operations Manager, Group Exercise Coordinator, Senior Fitness Instructor, ICT Manager and Financial Controller.

Related parties

The Charity has a very close relationship with Lewes District Council, who were providing a service fee up to 31st March 2020, at which point service fee funding ceased.

On 31st March 2021, a new 10 year extension to the original 2006 contract was agreed with Lewes District Council securing the long term partnership to 2031. The extension is not supported with a service fee.

Pay Policy for Senior Staff

The Directors comprise the Board of Directors, who are the Trust's Trustees, and the Business Development Team which comprise of the key management personnel of the Charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give of their time freely. Details of Trustee expenses and related party transactions are disclosed in notes 9 and 22 to the accounts. The pay for senior staff is reviewed annually and normally increased in accordance with the Consumer Price Index.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Disabled Employees

Wave Active Limited believes that excellent service provision will be achieved through recognising the value of every individual. The Charity aims to create an environment that respects the diversity of staff and customers and enables them to achieve their own personal goals, contribute fully, and derive maximum benefit and enjoyment from their relationship with the Charity.

The Charity recognises and values the diversity of the workforce and communities and wants to ensure that all the attributes, talents and skills available throughout the community are recognised when employment opportunities arise. The principle is that jobs should be filled by those best able to do them.

The Charity takes every possible step to ensure that staff, and potential staff, are all treated fairly and given equal opportunity and support appropriate to their needs. All employment decisions including those on recruitment, selection, training and career development, are based on job related objective criteria and personal qualities. All applicants will be provided with a full job description of the duties and responsibilities; and a person specification setting out the essential requirements in terms of education, qualification, knowledge, work performance, competencies and personal qualities.

Employee Involvement

The Charity ensures that employees are treated equally at work, across all levels and locations. This includes making sure they have the same opportunities for recognition, reward and career development.

Diversity and inclusion are central to the business to ensure continued success. The Charity must create a culture where people can be themselves at work, regardless of their gender or any other attribute or choice.

The Charity is committed to the belief that well informed and properly consulted employees will work better and feel an integral part of the organisation. The Charity values everybody's contribution to success and believes that effective communication and working together as a team are critical to achieving business success. It is the Charity's aim to encourage effective communication that is open and two-way. In helping to achieve this objective the management team all have a responsibility to encourage upward information from their teams and in turn ensure that their teams are well informed about what is happening within the organisation.

The Charity has agreed jointly with Staff Representations a protocol and structure for informing and consulting with staff.

In accordance with legal requirements and in response to good employment practice our aim is to ensure employees are:

- Informed about the business's economic situation
- Informed and consulted about employment prospects, and
- Informed and consulted about decisions likely to lead to substantial changes in work organisation or contractual relations, which may include redundancies and transfer

Some key principles of effective consultation that we follow:

- A free exchange of ideas and news affecting the interests of the employees and the organisation.
- Communications are two way
- Management and Staff Representatives will agree on the issues that will be the subject of consultation
- Appropriate information to be made available
- Those participating know their roles.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT**Risk management**

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

The risks and uncertainties faced by the Charity are regularly reviewed formally and informally by senior management and formally with the Trustees as part of the work assigned to the Finance and Audit Sub Group and Governance Sub Group subsequently reported to the Board. The Charity has developed a Risk Register which is used to identify the primary risks faced by the Charity. The risk register is regularly reviewed and the actions and initiatives to be taken to mitigate those risks are agreed as part of the regular business of the Board.

The risks and uncertainties faced by the Charity are those inherent with the management of sports and leisure services with the core aim of;

- Promoting community participation in healthy recreation, and/or
- Advancing the education of the public on the benefit of active lifestyle and in particular the value of physical activity for young people, and/or
- Such other charitable purposes beneficial to the community consistent with the objects as the Trustees shall in their discretion determine.

Figure 5: Identified Risks and Management Procedures

Identified Risk	Description	How we manage the risk
Contractual Risk	Failure to perform in terms of the contract to provide leisure and recreational services to communities	Through regular partnership meetings and reporting with Local Authority partners highlighting Charity Performance and Impact.
Operational Risk	Incurring losses as a result of inadequate or failed internal and external processes, systems and human error or from external events.	Internal audit and external audit programme in place. Documented processes in place for all financial controls and processes
Regulatory risk	Failure to comply with relevant regulations and procedures, for example health and safety.	Robust systems of internal and external audits and training by specialist training providers and third-party advisors with specialist knowledge of the sports and leisure sector
People risk	Failure to ensure we maintain a well trained, competency checks and motivated workforce.	Comprehensive programme of training provided across the business including annual assessment needs, competency checks and systems for behaviour and performance monitoring
Financial risk	Failure to ensure we maintain adequate reserves to ensure the on-going financial requirements of the Charity are met.	Reserves policy regularly reviewed as part of the annual Board assessment in line with the future needs of the business
Reputational risk	Failure to meet the expectations of our key stakeholders, our partners, staff and customers in the performance and management of the charity's affairs.	Comprehensive partner relations established with key stakeholder groups that have a direct or indirect influence on the performance of the business.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Figure 5: Identified Risks and Management Procedures - continued

Identified Risk	Description	How we manage the risk
Economic Risk	Failure to achieve income levels due to increased competition or a reduction in levels of customers disposable income.	Regular review of pricing against competitors, price promotion and comprehensive systems for gathering customer feedback

Board and Trustee Evaluation

In 2021/22, the Governance Sub Group, of three trustees, continued to review matters in line with the annual work plan which includes a comprehensive review of the Governance arrangements of the Charity. As well as identifying areas to strengthen current arrangements around policy and procedures.

To facilitate the effective operation of the Charity, the Board has delegated the responsibility of administering the Charity to the Business Development Team of six officers. The Business Development Team meets on a regular basis and is made up of:

- o Chief Executive Officer
- o Head of Finance and Resources
- o Head of Commercial Development
- o Head of People and Culture
- o Head of Marketing and Stakeholder Engagement.
- o Head of Property, Quality and Compliance.

The Business Development Team is supported by two Area Managers, a Site Manager, Aquatics Development Coordinator, Membership Sales and Retention Coordinator, Senior Operations Manager, Group Exercise Coordinator, Senior Fitness Instructor, ICT Manager and Financial Controller.

Pay Policy for Senior Staff

The Directors comprise the Board of Directors, who are the Trust's Trustees, and the Business Development Team which comprise of the key management personnel of the Charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give of their time freely. Details of Trustee expenses and related party transactions are disclosed in notes 8 and 21 to the accounts. The pay for senior staff is reviewed annually and normally increased in accordance with policy.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05621359 (England and Wales)

Registered Charity number

1113486

Registered office

C/o Downs Leisure Centre
Sutton Road
SEAFORD
BN25 4QW

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees

Mr K Ellis
Mr P Clarke
Mr M Beaumont
Mr M Price
Mr M Miller
Mr A Wisniewski
Cllr L O'Connor
Cllr J Denis appointed 8 December 2021
Mr E Kihlstrom (Chair) appointed 4 April 2022

Company Secretary

Ms D Witts

Auditors

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

CHANGE OF NAME

The charitable company passed a special resolution on 28 November 2022 changing its name from Wave Leisure Trust to Wave Active Ltd.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Wave Active Ltd 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

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.

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 5/12/22 and signed on the board's behalf by:


Mr E Kihlstrom

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WAVE ACTIVE LIMITED

Opinion

We have audited the financial statements of Wave Active Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 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 charitable 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, 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 this gives rise to a material misstatement in the financial statements themselves. 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
WAVE ACTIVE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE ACTIVE LIMITED**

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.

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 company through discussions with directors 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 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.

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;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 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.

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 Committee of Management 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE ACTIVE LIMITED**

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


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
Kent
ME10 4AE

Date: 5/12/22

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

				31.3.22	31.3.21
		Unrestricted funds	FRS 102 Pension Adjustment Un-restricted	Restricted funds	Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	5,000	-	206,053	211,053
Charitable activities					
Leisure Centre activity		4,948,782	-	19,599	4,968,381
Investment income	3	204	-	-	204
Total		<u>4,953,986</u>	<u>-</u>	<u>225,652</u>	<u>5,179,638</u>
EXPENDITURE ON					
Raising funds	5	18,405	-	-	18,405
Charitable activities	6				
Leisure Centre activity		<u>4,516,937</u>	<u>268,000</u>	<u>545,098</u>	<u>5,330,035</u>
Total		<u>4,535,342</u>	<u>268,000</u>	<u>545,098</u>	<u>5,348,440</u>
NET INCOME/(EXPENDITURE)		418,644	(268,000)	(319,446)	(168,802)
Transfers between funds	20	162,664	-	(162,664)	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>1,665,000</u>	<u>-</u>	<u>1,665,000</u>
Net movement in funds		581,308	1,397,000	(482,110)	1,496,198
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>90,703</u>	<u>(2,117,000)</u>	<u>1,192,706</u>	<u>(833,591)</u>
TOTAL FUNDS CARRIED FORWARD		<u>672,011</u>	<u>(720,000)</u>	<u>710,596</u>	<u>(833,591)</u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2022

				31.3.22	31.3.21
		Unrestricted funds	FRS 102 Pension Adjustment Un-restricted	Restricted funds	Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12	301,670	-	710,596	1,012,266
Investments	13	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
		301,671	-	710,596	1,012,267
CURRENT ASSETS					
Stocks	14	21,443	-	-	21,443
Debtors	15	622,942	-	-	622,942
Cash at bank and in hand		<u>1,712,044</u>	<u>-</u>	<u>60,551</u>	<u>1,772,595</u>
		2,356,429	-	60,551	2,416,980
CREDITORS					
Amounts falling due within one year	16	(954,680)	-	(60,551)	(1,015,231)
		<u>1,401,749</u>	<u>-</u>	<u>-</u>	<u>1,401,749</u>
NET CURRENT ASSETS					
		<u>1,401,749</u>	<u>-</u>	<u>-</u>	<u>779,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,703,420	-	710,596	2,414,016
CREDITORS					
Amounts falling due after more than one year	17	(1,031,409)	-	-	(1,031,409)
PENSION LIABILITY	21	-	(720,000)	-	(720,000)
		<u>672,011</u>	<u>(720,000)</u>	<u>710,596</u>	<u>662,607</u>
NET ASSETS/(LIABILITIES)					
		<u>672,011</u>	<u>(720,000)</u>	<u>710,596</u>	<u>662,607</u>
		<u>662,607</u>	<u>(833,591)</u>	<u>662,607</u>	<u>(833,591)</u>

The notes form part of these financial statements

WAVE ACTIVE REGISTERED NUMBER: 05621359)
LIMITED

BALANCE SHEET - continued
31 MARCH 2022

FUNDS:	20		
Unrestricted funds:		(47,988)	(2,026,297)
Restricted funds		<u>710,595</u>	<u>1,192,706</u>
TOTAL FUNDS:		<u>662,607</u>	<u>(833,591)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 5/12/22 and were signed on its behalf by:


Mr E. Kihlstrom

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	99,750	569,804
Net cash provided by operating activities		99,750	569,804
Cash flows from investing activities			
Purchase of tangible fixed assets		(160,554)	(712,707)
Interest received		204	3,927
Net cash used in investing activities		(160,350)	(708,780)
Cash flows from financing activities			
New loans in year		650,000	500,000
Net cash provided by financing activities		650,000	500,000
Change in cash and cash equivalents in the reporting period		589,400	361,024
Cash and cash equivalents at the beginning of the reporting period		1,183,195	822,171
Cash and cash equivalents at the end of the reporting period		1,772,595	1,183,195

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.22 £	31.3.21 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(168,802)	(125,955)
Adjustments for:		
Depreciation charges	152,292	90,308
Interest received	(204)	(3,927)
(Increase)/decrease in stocks	(20,397)	7,120
Decrease in debtors	5,751	106,944
(Decrease)/increase in creditors	(136,890)	295,314
Difference between pension charge and cash contributions	<u>268,000</u>	<u>200,000</u>
Net cash provided by operations	<u><u>99,750</u></u>	<u><u>569,804</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	<u>1,183,195</u>	<u>589,400</u>	<u>1,772,595</u>
	<u>1,183,195</u>	<u>589,400</u>	<u>1,772,595</u>
Debt			
Debts falling due within 1 year	-	(118,591)	(118,591)
Debts falling due after 1 year	<u>(500,000)</u>	<u>(531,409)</u>	<u>(1,031,409)</u>
	<u>(500,000)</u>	<u>(650,000)</u>	<u>(1,150,000)</u>
Total	<u><u>683,195</u></u>	<u><u>(60,600)</u></u>	<u><u>622,595</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Statement of compliance

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. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Basis of preparing the financial statements

Under Financial Reporting Standard 102 (Retirement benefits) the deficit on the trust's pension scheme is included in the financial statements and the trust's reserves have therefore been reduced by the pension deficit creating net assets of £662,607 (2021: net liabilities of £833,591) at the year end. The management committee are satisfied that the Trust will be able to meet all of its obligations as and when they fall due.

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 and the valuation of the pension deficit in respect of the local government pension scheme.

Incoming resources

Incoming resources from recreation and leisure sites are included in the Statement of Financial Activities when receivable. Income for annual memberships is accounted for over the membership year.

Management Fee

The normal service fee is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Resources expended

All 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. Resources expended include attributable VAT which cannot be recovered.

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 amount received totalled £1.88m and has been included in income (note 2).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Individual fixed assets relating to leasehold property costing £10,000 or more, or vehicles costing £4,000 or more are capitalised at cost. Tangible fixed assets are depreciated on a straight line basis over the remaining term of the lease of the properties or in the case of vehicles, their expected useful life. Depreciation is calculated as follows:

Improvements to property	- Over remaining term of lease
Motor vehicles	- Straight line over 3 years
Plant and machinery	- Over remaining term of lease
Information Technology systems	- Straight line over 5 years

Stocks

Stocks consists of purchased goods for resale and is valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

Unrestricted Funds

Unrestricted funds are incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

Restricted Funds

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

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

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

Pension costs and other post-retirement benefits

The Charity operates a pension scheme providing benefits based on final pensionable pay. Contributions to the defined benefit scheme are charged to the Statement of Financial Activities in order to allocate the cost of providing the pension recognising any actuarial surplus or deficit (where appropriate), over the working lives of the relevant employees as assessed in accordance with the advice of professional qualified actuaries. The assets of the scheme are held separately in an independently administered fund. Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred. These include contributions to the stakeholder pension scheme and employee's personal pension schemes.

Going concern

In the wake of the COVID-19 pandemic and the Russian invasion of Ukraine companies worldwide are experiencing adverse effects on the supply chain, availability of employee resources and rising inflation which put pressure of the cost of supplies to businesses and the economic health of the consumer.

Rising inflation, which is predicted to reach record highs in excess of 10%, have a significant impact on the charity's financial performance, with the most affected areas being:

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued**Going concern - continued**

- Profitability
- Pricing structures
- Going concern consideration
- Risk and cashflow forecasting

Wave Active Limited have reacted to the inflationary pressures by maintaining price increases below inflation to ease the pressure on members and casual users of the leisure facilities, and by applying increases to employee rates at the prevailing level of inflation. In addition, the purchasing process for energy procurement has been undertaken to smoothing price increases in the period to 31 March 2024 and beyond.

To counter the inflationary pressures Wave Active Limited will apply the cash reserves as held at 31 March 2022 which ensures that it can meet its debts as they fall due, including repayment of COVID-19 related loans which will provide sustainability in the medium term. Long term sustainability will be gained through the capital purchase plans which provides for ongoing investment in the Charity's facilities.

Growth of the business supports long term sustainability with post balance sheet events that give rise to positive impact on reserves and my mitigating any risk attached to new business opportunities. Management continues to explore new business opportunities with a focus on de-risking the business model.

The business model is under constant review to ensure that it reflects the latest forecast for inflation along with detailed review of energy pricing from flexible forward purchase contracts for gas and electricity.

Although uncertainty surrounding inflation and energy pricing past 31 March 2025 remains, the Charity has produced forecasts that indicate the Charitable Company will remain able to meet its financial obligations as they fall due for the foreseeable future. Therefore, the Board is confident that no material uncertainty exists that would put doubt on the Charity's ability to continue as a going concern and has therefore produced the financial statements on a going concern basis.

2. DONATIONS AND LEGACIES

	31.3.22	31.3.21
	£	£
Donations	5,000	-
Job Retention Scheme income	<u>206,053</u>	<u>1,878,882</u>
	<u>211,053</u>	<u>1,878,882</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

3. INVESTMENT INCOME

	31.3.22	31.3.21
	£	£
Deposit account interest	<u>204</u>	<u>3,927</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.22	31.3.21
	Leisure Centre activity £	Total activities £
Leisure centre income	3,858,792	766,610
Management Fee	146,204	100,841
Joint Use Agreement Income	281,786	411,026
Grants	<u>681,599</u>	<u>1,664,856</u>
	<u>4,968,381</u>	<u>2,943,333</u>

Grants received, included in the above, are as follows:

	31.3.22	31.3.21
	£	£
Eastbourne Borough Council	462,000	462,000
Newhaven Fort Recovery	-	850,000
Tackling Inequalities Fund	5,000	5,000
PPE Equipment	-	9,960
NLRF (LDC)	14,599	181,542
NLRF (EBC)	-	55,100
Summer Events Programme	-	8,500
Capital Community Fund	-	141
Big Lottery	-	92,613
SIB Grant	<u>200,000</u>	-
	<u>681,599</u>	<u>1,664,856</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

5. RAISING FUNDS

Other trading activities

	31.3.22	31.3.21
	£	£
Bad debts	<u>18,405</u>	<u>-</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Leisure Centre activity	<u>1,590,298</u>	<u>3,739,737</u>	<u>5,330,035</u>

7. SUPPORT COSTS

	Operational & Management £	Finance £	Governance costs £	Totals £
Leisure Centre activity	<u>3,472,829</u>	<u>256,408</u>	<u>10,500</u>	<u>3,739,737</u>

8. NET INCOME/(EXPENDITURE)

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

	31.3.22 £	31.3.21 £
Auditor's remuneration	10,500	15,030
Depreciation - owned assets	152,292	90,308
Hire of plant and machinery	<u>144,097</u>	<u>127,489</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

10. STAFF COSTS

	31.3.22	31.3.21
	£	£
Wages and salaries	2,640,473	3,032,087
Social security costs	169,681	167,716
Other pension costs	<u>288,416</u>	<u>287,915</u>
	<u><u>3,098,570</u></u>	<u><u>3,487,718</u></u>

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

	31.3.22	31.3.21
Senior management	11	11
Recreation Sites	82	132
Administration	11	10
Casual Staff	<u>134</u>	<u>193</u>
	<u><u>238</u></u>	<u><u>346</u></u>

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

	31.3.22	31.3.21
£90,001 - £100,000	<u><u>1</u></u>	<u><u>1</u></u>

The number of employees earning in excess of £60,000 (for the year and the preceding year) to whom retirement benefits were accruing was as follows:

	2022	2021
Defined benefit schemes	1	1

The total amount of employee remuneration received by key management personnel is £250,331 (2021: £244,348). The Charitable Company considers its key management personnel comprises of the CEO, the Head of Finance and the Head of Commercial Development.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	-	-	1,878,882	1,878,882
Charitable activities				
Leisure Centre activity	1,740,618	-	1,202,715	2,943,333
Investment income	<u>3,927</u>	<u>-</u>	<u>-</u>	<u>3,927</u>
Total	<u>1,744,545</u>	<u>-</u>	<u>3,081,597</u>	<u>4,826,142</u>
EXPENDITURE ON				
Charitable activities				
Leisure Centre activity	<u>2,732,231</u>	<u>200,000</u>	<u>2,019,866</u>	<u>4,952,097</u>
NET INCOME/(EXPENDITURE)				
Transfers between funds	(987,686)	(200,000)	1,061,731	(125,955)
Other recognised gains/(losses)	(91,689)	-	91,689	-
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>(1,188,000)</u>	<u>-</u>	<u>(1,188,000)</u>
Net movement in funds	<u>(1,079,375)</u>	<u>(1,388,000)</u>	<u>1,153,420</u>	<u>(1,313,955)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>1,170,078</u>	<u>(729,000)</u>	<u>39,286</u>	<u>480,364</u>
TOTAL FUNDS CARRIED FORWARD	<u>90,703</u>	<u>(2,117,000)</u>	<u>1,192,706</u>	<u>(833,591)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

12. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2021	2,057,390	146,611	10,221
Additions	<u>97,892</u>	<u>29,628</u>	<u>11,471</u>
At 31 March 2022	<u>2,155,282</u>	<u>176,239</u>	<u>21,692</u>
DEPRECIATION			
At 1 April 2021	1,194,088	109,167	3,727
Charge for year	<u>102,694</u>	<u>8,714</u>	<u>1,958</u>
At 31 March 2022	<u>1,296,782</u>	<u>117,881</u>	<u>5,685</u>
NET BOOK VALUE			
At 31 March 2022	<u>858,500</u>	<u>58,358</u>	<u>16,007</u>
At 31 March 2021	<u>863,302</u>	<u>37,444</u>	<u>6,494</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2021	8,580	165,917	2,388,719
Additions	<u>-</u>	<u>21,563</u>	<u>160,554</u>
At 31 March 2022	<u>8,580</u>	<u>187,480</u>	<u>2,549,273</u>
DEPRECIATION			
At 1 April 2021	7,150	70,583	1,384,715
Charge for year	<u>1,430</u>	<u>37,496</u>	<u>152,292</u>
At 31 March 2022	<u>8,580</u>	<u>108,079</u>	<u>1,537,007</u>
NET BOOK VALUE			
At 31 March 2022	<u>-</u>	<u>79,401</u>	<u>1,012,266</u>
At 31 March 2021	<u>1,430</u>	<u>95,334</u>	<u>1,004,004</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2021 and 31 March 2022	<u>1</u>
NET BOOK VALUE	
At 31 March 2022	<u>1</u>
At 31 March 2021	<u>1</u>

There were no investment assets outside the UK.

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

WLT Solutions Limited

Registered office: Downs Leisure Centre, Sutton Road, Seaford, East Sussex, BN25 4QW

Nature of business: Dormant

	%		
Class of share:	holding		
Ordinary	100		
		31.3.22	31.3.21
		£	£
Aggregate capital and reserves		1	1

14. STOCKS

	31.3.22	31.3.21
	£	£
Stocks	<u>21,443</u>	<u>1,046</u>

15. DEBTORS

	31.3.22	31.3.21
	£	£
Amounts falling due within one year:		
Trade debtors	303,417	134,707
Amounts owed by group undertakings	750	750
Other debtors	37,413	8,455
Prepayments and accrued income	<u>223,312</u>	<u>426,731</u>
	<u>564,892</u>	<u>570,643</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

15. DEBTORS - continued

	31.3.22	31.3.21
	£	£
Amounts falling due after more than one year:		
Other debtors	<u>58,050</u>	<u>58,050</u>
Aggregate amounts	<u>622,942</u>	<u>628,693</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Other loans (see note 18)	118,591	-
Trade creditors	332,186	498,982
Social security and other taxes	76,495	97,042
Other creditors	89,723	133,984
Accruals and deferred income	<u>398,236</u>	<u>303,522</u>
	<u>1,015,231</u>	<u>1,033,530</u>

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

	31.3.22	31.3.21
	£	£
Other loans (see note 18)	<u>1,031,409</u>	<u>500,000</u>

The Charitable Company received an unsecured loan of £500,000 from Lewes District Council in 2020/21. The loan was issued at an interest rate of 2.75% which shall accrue daily from the draw down of the loan. The first payment of interest shall be made on the last business day of March 2023.

In the year the Charitable Company secured a Coronavirus Business Interruption Loan of £650,000 repayable over 5 years. Interest is charged at 7.0%.

Social Investment Business FM Limited hold a fixed charge and a floating charge covering all the property or undertaking of the Charitable Company.

18. LOANS

An analysis of the maturity of loans is given below:

	31.3.22	31.3.21
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>118,591</u>	<u>-</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>169,416</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>361,993</u>	<u>500,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

18. LOANS - continued

	31.3.22 £	31.3.21 £
Amounts falling due in more than five years:		
Repayable otherwise than by instalments:		
Other loans more 5yrs non-inst	<u>500,000</u>	<u>-</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.22 £	31.3.21 £
Within one year	115,085	126,332
Between one and five years	<u>8,016</u>	<u>109,502</u>
	<u>123,101</u>	<u>235,834</u>

20. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	90,703	418,644	162,664	672,011
FRS 102 Pension Adjustment				
Un-restricted	<u>(2,117,000)</u>	<u>1,397,000</u>	<u>-</u>	<u>(720,000)</u>
	(2,026,297)	1,815,644	162,664	(47,989)
Restricted funds				
Ancient History Centre	31,429	(3,461)	-	27,968
Big Lottery	92,613	(92,613)	-	-
Newhaven Fort Recovery	818,522	26,770	(162,664)	682,628
Tackling Inequalities Fund	5,000	(5,000)	-	-
Summer Events Programme	8,500	(8,500)	-	-
National Leisure Recoverability Fund	<u>236,642</u>	<u>(236,642)</u>	<u>-</u>	<u>-</u>
	<u>1,192,706</u>	<u>(319,446)</u>	<u>(162,664)</u>	<u>710,596</u>
TOTAL FUNDS	<u>(833,591)</u>	<u>1,496,198</u>	<u>-</u>	<u>662,607</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

20. MOVEMENT IN FUNDS - continued

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	4,953,986	(4,535,342)	-	418,644
FRS 102 Pension Adjustment				
Un-restricted	-	(268,000)	1,665,000	1,397,000
	4,953,986	(4,803,342)	1,665,000	1,815,644
Restricted funds				
Ancient History Centre	-	(3,461)	-	(3,461)
Big Lottery	-	(92,613)	-	(92,613)
Newhaven Fort Recovery	-	26,770	-	26,770
Job Retention Scheme	206,053	(206,053)	-	-
Tackling Inequalities Fund	5,000	(10,000)	-	(5,000)
Summer Events Programme	-	(8,500)	-	(8,500)
National Leisure Recoverability Fund	14,599	(251,241)	-	(236,642)
	225,652	(545,098)	-	(319,446)
TOTAL FUNDS	<u>5,179,638</u>	<u>(5,348,440)</u>	<u>1,665,000</u>	<u>1,496,198</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

20. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	314,866	(987,686)	763,523	90,703
Insurance & Risk Management	10,000	-	(10,000)	-
Information Technology	67,250	-	(67,250)	-
Buildings, Plant & Equipment	236,819	-	(236,819)	-
Community Fund	3,000	-	(3,000)	-
Development Fund	538,143	-	(538,143)	-
FRS 102 Pension Adjustment				
Un-restricted	<u>(729,000)</u>	<u>(1,388,000)</u>	<u>-</u>	<u>(2,117,000)</u>
	441,078	(2,375,686)	(91,689)	(2,026,297)
Restricted funds				
Ancient History Centre	39,286	(7,857)	-	31,429
Big Lottery	-	92,613	-	92,613
Newhaven Fort Recovery	-	726,833	91,689	818,522
Tackling Inequalities Fund	-	5,000	-	5,000
Summer Events Programme	-	8,500	-	8,500
National Leisure Recoverability Fund	<u>-</u>	<u>236,642</u>	<u>-</u>	<u>236,642</u>
	<u>39,286</u>	<u>1,061,731</u>	<u>91,689</u>	<u>1,192,706</u>
TOTAL FUNDS	<u><u>480,364</u></u>	<u><u>(1,313,955)</u></u>	<u><u>-</u></u>	<u><u>(833,591)</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

20. MOVEMENT IN FUNDS - continued

Comparative 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	1,744,545	(2,732,231)	-	(987,686)
FRS 102 Pension Adjustment				
Un-restricted	-	(200,000)	(1,188,000)	(1,388,000)
	1,744,545	(2,932,231)	(1,188,000)	(2,375,686)
Restricted funds				
Ancient History Centre	-	(7,857)	-	(7,857)
Big Lottery	92,613	-	-	92,613
Newhaven Fort Recovery	850,000	(123,167)	-	726,833
Job Retention Scheme	1,878,882	(1,878,882)	-	-
Tackling Inequalities Fund	5,000	-	-	5,000
Summer Events Programme	8,500	-	-	8,500
Adult Social Care Infection Control Fund	9,960	(9,960)	-	-
National Leisure Recoverability Fund	236,642	-	-	236,642
	3,081,597	(2,019,866)	-	1,061,731
TOTAL FUNDS	<u>4,826,142</u>	<u>(4,952,097)</u>	<u>(1,188,000)</u>	<u>(1,313,955)</u>

Ancient History Centre

The Charity has received funding of £55,000 via East Sussex County Council to transform a relatively tired existing exhibition in one of the casemates, into a new exhibition/learning resource. This space now tells the story of how Newhaven and surrounding areas were inhabited during pre-roman times, and offers events programs to the public. The full funding of £55,000 has been capitalised in 2017/18 and written down over the remaining period of the lease.

Heritage Cultural Recovery Fund

Awarded by the Department of Digital, Cultural, Media and Sport, administered by the Heritage Lottery Fund. A total of £850,000 was awarded specifically for Newhaven Fort to enable it to relaunch in spring 2021. Overall purpose of the grant was to create an on-site visitor experience which complies with Government COVID-19 safe working protocols. Exhibition spaces were reviewed, adapted and renewed along with ticketing, tea room and shop to enable social distancing. The use of 'virtual' and 'digital' technology was applied to improve the visitor experience both off and on site. The grant was deemed to be of a restrictive capital nature with £766k being treated as Fixed Asset additions with the majority of the spend in 20/21 relating to physical building works and interactive audio visual displays. During the year ended 31 March 2022, there was expenditure of £28,532 (2021: £123,167) leaving a restricted fund balance of £682,626 (2021: £818,522).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

20. MOVEMENT IN FUNDS - continued

Big Lottery

The Charity has been awarded a grant of £264,603 from the Big Lottery Reaching Communities Fund towards staffing, administration and accommodation overheads for the "Newhaven Live Life Project" to be run at Shakespeare Hall, Newhaven. The project involves increasing physical health and wellbeing, participating in healthy eating and improving the employability of young people in the Newhaven area over a five year period. The five year project commenced in September 2015 and income and expenditure included in the 2020/21 accounts amounted to income of £nil (2021: £92,613) and expenditure of £92,613 (2021: £nil), this has left a restricted fund balance of £nil at 31 March 2022.

Tackling Inequalities Fund

Grant was awarded in the year ended 31 March 2021. During the year ended 31 March 2022 income totalled £5,000 (2021: £5,000) and expenditure totalled £10,000 leaving a nil balance in the fund at the 31 March 2022.

Summer Events Programme

Grant was awarded in the year ended 31 March 2021. During the year ended 31 March 2022 income totalled £nil (2021: £5,000) and expenditure totalled £5,000 leaving a nil balance in the fund at the 31 March 2022.

National Leisure Recovery Fund

The fund was made available to support the difference between income and expenditure for the period 1 December 2020 to 31 March 2021 that enables leisure facilities to reopen, or partially reopen. During the year ended 31 March 2022, £14,599 (2021: £236,642) was received and was used against reopening related spend in the year ended 31 March 2022 of £251,241, as allowed by an amendment to the grant conditions when a further national lockdown was introduced.

Transfers between funds

A transfer of £107,365 is shown from restricted funds to unrestricted funds during the year. The transfer relates to grant income that was incorrectly recognised within the 31 March 2021 financial statements. The error was immaterial and relates to the Newhaven Fort Recovery project.

21. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit scheme in the UK. The pension cost and provision for the year are based on the advice of a professionally qualified actuary the most recent full actuarial valuation is dated 31 March 2019. A roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pension liability at 31 March 2022. 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Current service cost	218,000	161,000
Net interest from net defined benefit asset/liability	44,000	17,000
Past service cost	-	25,000
	<u>262,000</u>	<u>203,000</u>
Actual return on plan assets	<u>204,000</u>	<u>191,000</u>

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

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Opening defined benefit obligation	12,133,000	9,062,000
Current service cost	218,000	161,000
Past service cost	-	25,000
Contributions by scheme participants	40,000	37,000
Interest cost	248,000	208,000
Benefits paid	(121,000)	(127,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	(147,000)
Actuarial (gains)/losses from changes in financial assumptions	(744,000)	3,020,000
Oblig other remeasurement	25,000	(106,000)
	<u>11,799,000</u>	<u>12,133,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Opening fair value of scheme assets	10,016,000	8,333,000
Contributions by employer	-	13,000
Contributions by scheme participants	40,000	37,000
Expected return	204,000	191,000
Benefits paid	(121,000)	(127,000)
Assets no descr	(6,000)	(10,000)
Return on plan assets (excluding interest income)	946,000	1,579,000
	<u>11,079,000</u>	<u>10,016,000</u>

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

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	147,000
Actuarial (gains)/losses from changes in financial assumptions	744,000	(3,020,000)
Oblig other remeasurement	(25,000)	106,000
Return on plan assets (excluding interest income)	946,000	1,579,000
	<u>1,665,000</u>	<u>(1,188,000)</u>

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

	Defined benefit pension plans	
	31.3.22	31.3.21
Equities	74%	75%
Bonds	16%	15%
Property	8%	8%
Cash	2%	2%
	<u>100%</u>	<u>100%</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.3.22	31.3.21
Discount rate	2.60%	2.05%
Future salary increases	3.15%	2.85%
Future pension increases	3.15%	2.85%

Amounts for the current and previous four periods are as follows:

	2022	2021	2020	2019	2018
Defined benefit pension plans					
Defined benefit obligation	(11,799,000)	(12,133,000)	(9,062,000)	(11,146,000)	(9,659,000)
Fair value of scheme assets	11,079,000	10,016,000	8,333,000	9,161,000	8,532,000
(Deficit)surplus	(720,000)	(2,117,000)	(729,000)	(1,985,000)	(1,127,000)

Lewes District Council has given a legal undertaking guaranteeing that if any sums are due and owing to the pension scheme by the Charity pursuant to the terms of the pension admissions agreement between the Charity and Lewes District Council dated 31 March 2006, that Lewes District Council will make good any deficit in the event of the liquidation or winding up of the charitable company. As this indemnity represents a contingent asset it has not been reflected in the financial statements.

Sensitivity Analysis

Changes in assumptions at 31 March 2022	Approx % Increase to Employer Liability	Approximate Monetary Amount (£000)
0.1% decrease in Real Discount Rate	2.56%	302,000
0.1% increase in Salary Increase Rate	0.13%	15,000
0.1% increase in the Pension Increase Rate	2.36%	278,000

22. RELATED PARTY DISCLOSURES

The Charity has a very close relationship with Lewes District Council, however it is not considered to be a related party due to the control criteria not being met.

A Trustee, Mike Price, had a family connection with an employee at Wave Active Limited. The employee left employment in 2020/21 and therefore there is no disclosure for 2021/22:

	31.3.22	31.3.21
	£	£
J Price Salary	-	18,576

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party. The Board of Trustees and the management team are responsible for the strategic and operational decisions of the charity.

WAVE ACTIVE LIMITED

England & Wales - Charity number 1113486

Accounts

REGISTERED COMPANY NUMBER: 5621359 (England and Wales)
REGISTERED CHARITY NUMBER: 1113486

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
WAVE LEISURE TRUST

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

WAVE LEISURE TRUST

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FOR THE YEAR ENDED 31 MARCH 2021

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WAVE LEISURE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. 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).

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing Document

Wave Leisure Trust Ltd is a Charitable Company limited by guarantee. It was incorporated on 14 November 2005, registered as a Charity on 14 March 2006 and commenced trading on 1 April 2006. The Charity passed a special resolution on 10 January 2006 changing its name from Lewes District Leisure Trust Limited to Wave Leisure Trust Limited.

The Charity was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

Appointment of Trustees

As set out in the Articles of Association the Board shall consist of at least six and not more than nine Trustees all of which shall be required to become a member of the Charity.

The Board of Trustees shall consist of:

- A maximum of two Local Authority Trustees
- One Employee Trustee (if determined by the Company)
- One individual appointed to be the Chief Executive Officer Trustee (if determined by the Company)
- No less than four or more than six other individuals appointed as Community Trustees

In exercising their powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Trustees, both the members and Trustees shall seek to ensure that the Board is representative of those with an interest in the facilities and services offered by the Charity and also comprises persons with a broad range of skills and who are likely to contribute to the Charity's success.

The Local Authority Trustee shall be nominated by Lewes District Council to serve for such period of office as shall be confirmed by Lewes District Council.

On the back of the Employee Trustee and CEO Trustee resigning, The Charity determined that replacements would not be appointed.

At the first Annual General Meeting after the Charity has commenced its activities all of the Trustees shall retire but will be eligible for reappointment without requirement for nomination. At each Annual General Meeting held thereafter, one third of the Community Trustees must retire, those longest in office retiring first and the choice between any equal service being made by drawing lots.

No Trustee shall serve on the Board for more than nine years in total excluding the period between the commencement of activities and the first Annual General Meeting.

All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses redeemed by the Charity are set out in note 8 to the accounts.

WAVE LEISURE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE GOVERNANCE AND MANAGEMENT - continued

Trustee Induction and Training

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.

In 2020/21, internal training for Trustees comprised the following:

- Expression of Interest pack including application forms, details of the work of the Charity and the role and expectations of Trustees
- Selection meetings with the CEO and Chair of Trustees
- Invitation to attend a Board meeting prior to becoming a Trustee
- Visits to the facilities and meeting key staff
- Invitation to attend the meetings of Sub Groups
- On-going training in legislation and responsibilities of Trustees

External training is arranged through the Head of Human Resources. Courses relevant and likely to be of interest to Trustees in enhancing their own performance and knowledge are identified through links with local voluntary service organisations, AVECO, the Charity Commission and other Charity Training web sites.

Organisation

The Board of Trustees administers the Charity. The Board meets quarterly and there are four Sub Groups covering Finance and Audit, Governance, Strategy and Health and Safety which meet regularly.

On a biennial basis, Trustees attend a strategic away day to review performance, re assess market conditions and prepare a tactical plan for the future. In keeping with the time frames a Trustee Away Day will be conducted during 2021.

In addition to training, one new Trustee was inducted to the Board. Figure 1 highlights the core skill sets and experiences of the current Board:

Figure 1

Serving Board Members	Occupation	Core Skills	Gender
Mark Beaumont (Chair)	Founder/MD/ Entrepreneur	Business start-up and new product development	Male
Phil Clarke	Retired Director Tesco Stores Ltd	Private sector - retail and service management	Male
Mike Price	Retired Head Teacher Barnados	Public and Charity sector - Special Needs Education	Male
Alan Wisniewski	Retired Sales & General Manager	Strategy, Financial Management, Auditing, Information Technology, Social Care Services	Male
Kevin Ellis	Private Maths Tutor	Strategy, Financial Management, Accountancy, Treasury Management, Governance, Training & Development	Male
Marcel Miller	Treasurer	Financial Management, Accountancy, Banking, Treasury Management, Insurance, Pensions,	Male
Cllr Laurence O'Connor	Dept for Work & Pensions	Working with Local Authorities	Male
Cllr Johnny Denis	Cabinet Member for Customers & Communities	Fundraising, Strategy, Community Relations and Governance	Male

WAVE LEISURE TRUST LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE GOVERNANCE AND MANAGEMENT - continued

Organisation – continued

In line with Lewes District Council procedures, Cllr Steve Saunders retired from the Trustee role on 24 July 2020 and was replaced by Councillor Laurence O'Connor. Since July 2019 the number of Charity Trustees has remained at eight.

In addition, on the back of Lisa Fry resigning as a Trustee on 9th March 2020, Mark Beaumont was asked to take on the role of Chairman which was formally recognised at the AGM held on 29th March 2021.

As highlighted last year David Hearn was retained as a Co-opted Trustee and continues to support The Trust as Chairman of the Health and Safety Sub Group.

The CEO and Board Members have agreed specific work areas for the Board, and this is drawn up in Matters Reserved for the Board. Each of the Sub Groups have specific Terms of Reference for their areas of responsibility and this is reviewed annually each year. A Chair and Vice Chair for the Board is elected at each AGM. The Chair and Vice Chair nominate Trustees to undertake the role of Chair of each of the Sub Groups. The Chairs of each Sub Group are selected at the first meeting after the AGM.

Schedule of the work that the Board operates is provided in figure 2:

Figure 2

Wave Leisure Trust	Minimum Frequency	Method of Scrutiny	Elected Chair	No. of Trustees
Full Board of Trustees	5 per annum including the AGM (although additional meetings may be called as required)	Matters Reserved for the Board agreed and in place	Mark Beaumont	9
Governance Sub Group	4 per annum	Terms of Reference agreed and in place	Mike Price	3
Health and Safety Sub Group	4 per annum	Terms of Reference agreed and in place	David Hearn	1 (2 attend)
Finance and Audit Sub Group	3 per annum	Terms of Reference agreed and in place	Marcell Miller	4 (3 attend)
Strategy Sub Group	4 Per annum	Terms of Reference agreed and in place	Rolling Chair	9

At each full Board meeting, the agenda includes the opportunity for the Chair of each Sub Group to report on their work plan.

WAVE LEISURE TRUST LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE GOVERNANCE AND MANAGEMENT- continued **Organisation – continued**

Figure 3: Composition and Attendances at Board Meetings:

Name	Full Board (incl AGM)	Governance Sub Group	Finance & Audit Sub Group	Health & Safety Sub Group	Strategy Development Sub Group
Mark Beaumont (Chair) Registered: 16/07/15	5/5	n/a	3/3	n/a	0/4
Mike Price Registered: 16/07/15	5/5	Chair 5/4	n/a	n/a	0/4
Phil Clarke Registered: 25/02/16	5/5	5/4	n/a	n/a	0/4
Kevin Ellis Registered: 31/07/2018	5/5	n/a	3/3	n/a	0/4
Marcel Miller Registered: 22/02/2018	5/5	n/a	Chair 3/3	n/a	0/4
Alan Wisniewski Registered; 26/05/2017	5/5	4/4	n/a	0/4	0/4
Steve Saunders Registered: 23/05/2019 Resigned: 24/07/2020	0/5	n/a	0/3	0/4	0/4
Cllr Laurence O'Connor	5/5	n/a	n/a	3/4	0/4
Cllr Johnny Denis	0/5	n/a	n/a	n/a	n/a
Co-opted David Hearn	5/5	n/a	n/a	Chair 3/4	0/4

Board and Trustee Evaluation

In 2020/21, the Governance Sub Group, of three trustees, continued to review matters in line with the annual work plan which includes a comprehensive review of the Governance arrangements of the Charity. As well as identifying areas to strengthen current arrangements around policy and procedures.

To facilitate the effective operation of the Charity, the Board has delegated the responsibility of administering the Charity to the Business Development Team of six officers. The Business Development Team meets on a regular basis and is made up of:

- Chief Executive Officer
- Head of Finance and Resources
- Head of Commercial Development
- Head of Human Resources
- Head of Community and Health Improvement
- Property and Quality Services Manager

The Business Development Team is supported by two Area Managers, a Site Manager, Aquatics Development Coordinator, Membership Sales and Retention Coordinator, Health and Well Being Coordinator, Group Exercise Coordinator and ICT Manager.

WAVE LEISURE TRUST LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE GOVERNANCE AND MANAGEMENT- continued

Related Parties

The Charity has a very close relationship with Lewes District Council, who were providing a service fee up to 31st March 2020, at which point service fee funding ceased.

Pay Policy for Senior Staff

The Directors comprise the Board of Directors, who are the Trust's Trustees, and the Business Development Team which comprise of the key management personnel of the Charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give of their time freely. Details of Trustee expenses and related party transactions are disclosed in notes 8 and 21 to the accounts. The pay for senior staff is reviewed annually and normally increased in accordance with average earnings.

Disabled Employees

Wave Leisure Trust (WLT) believes that excellent service provision will be achieved through recognising the value of every individual. The Charity aims to create an environment that respects the diversity of staff and customers and enables them to achieve their own personal goals, contribute fully, and derive maximum benefit and enjoyment from their relationship with the Charity.

The Charity recognises and values the diversity of the workforce and communities and wants to ensure that all the attributes, talents and skills available throughout the community are recognised when employment opportunities arise. The principle is that jobs should be filled by those best able to do them.

The Charity takes every possible step to ensure that staff, and potential staff, are all treated fairly and given equal opportunity and support appropriate to their needs. All employment decisions including those on recruitment, selection, training and career development, are based on job related objective criteria and personal qualities. All applicants will be provided with a full job description of the duties and responsibilities; and a person specification setting out the essential requirements in terms of education, qualification, knowledge, work performance, competencies and personal qualities.

Employee Involvement

The Charity ensures that employees are treated equally at work, across all levels and locations. This includes making sure they have the same opportunities for recognition, reward and career development.

Diversity and inclusion are central to the business to ensure continued success. The Charity must create a culture where people can be themselves at work, regardless of their gender or any other attribute or choice.

The Charity is committed to the belief that well informed and properly consulted employees will work better and feel an integral part of the organisation. The Charity values everybody's contribution to success and believes that effective communication and working together as a team are critical to achieving business success. It is the Charity's aim to encourage effective communication that is open and two-way. In helping to achieve this objective the management team all have a responsibility to encourage upward information from their teams and in turn ensure that their teams are well informed about what is happening within the organisation.

The Charity has agreed jointly with Staff Representations a protocol and structure for informing and consulting with staff.

In accordance with legal requirements and in response to good employment practice our aim is to ensure employees are:

- Informed about the business's economic situation
- Informed and consulted about employment prospects, and
- Informed and consulted about decisions likely to lead to substantial changes in work organisation or contractual relations, which may include redundancies and transfers

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE GOVERNANCE AND MANAGEMENT- continued
Employee Involvement - continued

Some key principles of effective consultation that we follow:

- A free exchange of ideas and news affecting the interests of the employees and the organisation.
- Communications are two way
- Management and Staff Representatives will agree on the issues that will be the subject of consultation
- Appropriate information to be made available
- Those participating know their roles.

Risk or Uncertainties Management

The risks and uncertainties faced by the Charity are regularly reviewed formally and informally by senior management and formally with the Trustees as part of the work assigned to the Finance and Audit Sub Group and Governance Sub Group subsequently reported to the Board. The Charity has developed a Risk Register which is used to identify the primary risks faced by the Charity. The risk register is regularly reviewed and the actions and initiatives to be taken to mitigate those risks are agreed as part of the regular business of the Board.

The risks and uncertainties faced by the Charity are those inherent with the management of sports and leisure services with the core aim of;

- Promoting community participation in healthy recreation, and/or
- Advancing the education of the public on the benefit of active lifestyle and in particular the value of physical activity for young people, and/or
- Such other charitable purposes beneficial to the community consistent with the objects as the Trustees shall in their discretion determine.

Figure 4: Identified Risks and Management Procedures

Identified Risk	Description	How we manage the risk
Contractual risk	Failure to perform in terms of the contract to provide leisure and recreational services to communities.	Annual Service Plans, key objectives and targets agreed with Lewes District Council and other partners each year.
Operational risk	Incurring losses as a result of inadequate or failed internal and external processes, systems and human error or from external events.	Internal audit and external audit programme in place. Documented processes in place for all financial controls and processes.
Regulatory risk	Failure to comply with relevant regulations and procedures, for example health and safety.	Robust systems of internal and external audits and training by specialist training providers and third-party advisors with specialist knowledge of the sports and leisure sector.
People risk	Failure to ensure we maintain a well-trained, competent and motivated workforce.	Comprehensive programme of training provided across the business including annual assessment needs, competency checks and systems for behaviour and performance monitoring.
Financial risk	Failure to ensure we maintain adequate reserves to ensure the on-going financial requirements of the Charity are met.	Reserves policy regularly reviewed as part of the annual Board assessment in line with the future needs of the business.
Reputational risk	Failure to meet the expectations of our key stakeholders, our partners, staff and customers in the performance and management of the charity's affairs.	Comprehensive partner relations established with key stakeholder groups that have a direct or indirect influence on the performance of the business.

WAVE LEISURE TRUST LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE GOVERNANCE AND MANAGEMENT- continued

Risk or Uncertainties Management - continued

Identified Risk	Description	How we manage the risk
Economic Risk	Failure to achieve income levels due to increased competition or a reduction in levels of customers disposable income.	Regular review of pricing against competitors, price promotion and comprehensive systems for gathering customer feedback

The appropriate insurance measures are in place, and the Board, as part of its reserves policy has set aside funds in an Insurance and Risk Management Reserve in case a potential risk materialises.

WAVE LEISURE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

OBJECTIVES AND ACTIVITIES

Objects of the Charity

The Objects of the Charity per the Memorandum of Association are:

- To provide or assist in the provision of facilities and services for recreation, sport, culture or other leisure time occupations and the interest of social welfare, such facilities being provided to the public at large save that special facilities maybe be provided for persons who, by virtue of their youth, age, infirmity, disability, poverty or social or economic circumstances may have need for special facilities or services.
- To promote community participation in healthy recreation.
- To advance the education of the general public on the benefits of active lifestyles, and in particular the value of physical activity for young people.
- Any other charitable activity beneficial to the local community consistent with the above objectives.

Public Benefit

The Trustees confirm that they have complied with the duties in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on 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 Charity provides leisure services to the residents primarily, but not restricted to the Lewes District area of East Sussex. For example, elements of work, aligned to objects and core business activities are conducted in Eastbourne.

The Charity provides leisure and recreational services at the following facilities:

- Downs Leisure Centre, Seaford
- Lewes Leisure Centre, Lewes
- Peacehaven Leisure Centre, Peacehaven
- Seahaven Swim and Fitness Centre, Newhaven
- Seaford Head Swimming Pool
- Ringmer Swimming Pool
- Shakespeare Hall, Newhaven
- Newhaven Fort, Newhaven
- East Grinstead Sports Club, East Grinstead
- Hampden Park Sports Centre, Eastbourne
- Eastbourne Sports Park
- Shinewater Sports Centre, Eastbourne
- Cavendish Sports Centre, Eastbourne
- Motcombe Swimming Pool, Eastbourne
- Regency Park Community Centre, Eastbourne
- Sovereign Harbour Community Centre, Eastbourne

Facilities provided include; gym and fitness suites, swimming pools, sports halls, squash courts, soft play and meeting rooms at various locations. A varied programme of holiday scheme activities and special events are also provided. The Charity contributes to the health and wellbeing of the population and agrees an annual series of targets with the local authority that demonstrates its reach and effectiveness.

The Charity offers a wide range of membership options and also allows customers to use the facilities on a pay and play basis. There are special discounted memberships available specifically for juniors, students and seniors and for couples.

WAVE LEISURE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES - continued

Sky High Trampoline Park

In addition, in 2019 The Trust welcomed a new facility to its portfolio; Sky High Trampoline Park. Located on Meridian Industrial Estate in Peacehaven, it has a trampoline arena, café, viewing gallery and two party rooms.

In March 2020, due to the pandemic, Sky High closed in line with Government guidelines and when considering a lease break opportunity, the decision was taken to serve notice. However, on the 9th March 2021 the Landlord's Agents made contact with management to confirm that the notice to break was not effective due to a technicality and as such Trustees approved the re-opening of Sky High which then reopened in October 2021.

STRATEGIC REPORT

Achievement and performance

The Charity completed its 15th year of trading after its transition from a Local Authority controlled service to a Charitable Company in 2006.

On 20th March 2020, the Government instructed all leisure centres to close with immediate effect and that lock-down remained in place until 25th July 2020 at which point leisure centres could re-open but only if strict health and safety measures, including social distancing were implemented and maintained. Two further periods of closure followed before the easing of restrictions came into place on 29th March 2021.

Since 20th March 2020, the Charity has faced a crippling combination of periods of lockdown and no trading income along with limited access to financial support packages provided by Government for leisure service providers. In addition, due to social distancing measures and reduced customer confidence, it will take a considerable period for income levels to return to pre COVID-19 levels, which is compounding the financial challenge.

Lock-down

In line with The Government's instruction, all Wave sites were closed on the evening of 20th March and 95% of Wave Staff were furloughed.

Despite zero income and at no cost to Lewes District Council, The Charity continued to maintain its contractual responsibilities during lock-down. All weekly building, health and safety and compliance checks were provided throughout, ensuring the security and safety of the Council's assets.

In line with The Government's Covid-19 Recovery Strategy and in response to the first period of restriction easing, the Charity prepared re-mobilisation plans for sites to re-open in three phases from 25th July 2020 with a significantly reduced activities programme.

Phase	Activities	Location	Opening
Phase One	Gym and group exercise classes, outdoor and some Club activities if social distancing can be guaranteed by Club Officials.	- Downs Leisure Centre - Lewes Leisure Centre (dry activities only) - Seahaven Swim and Fitness Centre (dry activities only) - Peacehaven Leisure Centre - Shakespeare Hall - East Grinstead Sports Club - Eastbourne Sports Park - Hampden Park Sports Centre - Sovereign Harbour Community Centre - Regency Park Community Centre	25 th July

WAVE LEISURE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT - continued

Achievement and performance - continued

Phase	Activities	Location	Opening
Phase Two	Gym and Group Exercise, outdoor and some Club activities if social distancing can be guaranteed by Club Officials.	• Shinewater Sports Centre • Cavendish Sport Centre	1st Sept
Phase Three	Swimming, Learn to Swim (Wave Swim School) and other Aquatic Activities	• Lewes Leisure Centre • Seahaven Swim and Fitness Centre	7th Sept

After a period of discussion with relevant council authorities, due to a number of key maintenance and social distancing challenges it was agreed that the small pools, including Ringmer, Seaford Head and Motcombe would remain closed.

In relation to Newhaven Fort, a water mains leak prevented the site from re-opening post lockdown and although a significant grant of £850,000 from DCMS, distributed via the Heritage Lottery Fund, was awarded, it was agreed that the Fort would remain closed until spring 2021.

One of the key challenges with planning the re-mobilisation of sites was the ever-changing landscape and limited sector specific guidance and insight from Government. However, in an attempt to produce a model of operation, a number of key assumptions were made:

- Operations would focus on providing gym, swim and group exercise classes.
- Gym, swim and group exercise classes would all become 'bookable' activities, i.e. customers would not be able to turn up and access sites without booking.
- Booking and payment would be required in advance so wherever possible, sites would be cashless environments.
- The theme of the Charity's approach to re-mobilisation was, and remains, "Building Confidence." As such, all physical changes and adaptations, along with modifications to systems and procedures, focused on this theme to ensure staff felt confident about coming to work and customers about returning to site-based activities. Initiatives implemented included:
 - One-way systems: customers enter the building via the entrance and exit from the activity area, e.g. gym, studio, sports hall, etc. This is fairly straight forward for most site activities, but clearly challenging for swimming.
 - Physical changes: e.g. removal of turnstiles at Downs Leisure Centre, sneeze screens at reception points, reducing the number of touch points en-route to activity areas, reducing number of available toilets, introduction of hand sanitiser stations, etc.
 - Restructure of activity programmes: these programmes defined opening hours, what activities take place in what areas and exactly how activities are delivered taking into account social distancing based on 2m guidance. Site programmes ensure that slots for bookable activities are staggered to minimise the number of customers attending and leaving sites at the same time.
 - Activities transferred to different locations, for example the majority of group exercise classes were moved to the sports halls to maximise the number of customers who could attend whilst social distancing.
 - Introduction of new cleaning regimes: e.g. within gyms, hourly slots are available for customers to book (number of slots and capacity levels vary at each site, dictated by social distancing) after which the gym is closed for a 30 minute period for cleaning prior to the next hour slot commencing. This schedule is repeated continuously through-out the day.
 - Review of equipment undertaken in order to define the approach to each station/type. For example, yoga mats or blocks are no longer supplied. These are difficult to clean and dry, and as such, were removed and customers informed to bring their own or purchase them at reception points.
 - Procedure changes: e.g. normal operating procedures, emergency action plans, fire evacuation, gym, reception, etc were amended to account for Covid-19 along with updating all risk assessments.

WAVE LEISURE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT - continued

Achievement and performance - continued

- Staff training: conducted to ensure site staff were trained specifically on Covid-19 and the relevant procedures are revised relating to individual job roles, including PPE.
- Site servicing: RAG rated schedule introduced to define the servicing and internal tasks required in advance of re-opening sites. This schedule included such things as; microbiological testing of pools, gas certification, legionella testing, chlorination of water systems, emergency lighting testing, fix wiring checks, etc.

In addition to co-ordinating weekly building, health and safety and compliance checks, the Charity's Group Property and Quality Manager was instrumental in supporting all of the Charity's partner Clubs and Organisations get back to activity. The majority required support, some significant, particularly with creating and completing risk assessments along with interpreting national governing body guidelines.

Customer Feedback

Since opening the feedback from the Charity's members and customers has been very positive. For example:

- *"Just wanted to say how impressed I was with your new gym set up. Nice work Wave! It's better than it was before."*
- *"Been to three separate classes over the course of three days. Very well organise and felt completely safe. Well done to all the staff who have clearly worked hard to getting the site back up and running again. It's so good to be back."*
- *"Loved it. What an amazing job. Very spaced out, well organised and super clean. Wave leading the way!"*

Staffing

Whilst the Furlough Scheme supported with the retention of staff, as the first period of lockdown continued, it became clear that, inevitably, redundancies would be required to reflect the new reality and structure of operations. There were four phases to the redundancy process:

- Phase 1 – Casual Staff
- Phase 2 – Closure of Skyhigh Trampoline Park
- Phase 3 – Restructure of East Grinstead Sports Club
- Phase 4 – Corporate Team, LDC & EBC sites

As highlighted, the restructure cut across every department, supporting the key objective to reduce the financial burden, protect cash whilst maximising revenue opportunities. The Charity continues to use flexible furlough, review work and resource levels on an on-going basis and either recall people from furlough or place them on furlough as appropriate.

As the year progressed the Charity was subjected to two further periods of lockdown, the second commencing 4th November 2020, re-opening on 3rd December 2020 and the third starting 24th December 2020, re-opening for outdoor activities on 29th March 2021, following by gym and swim on 12th April and finally re-opening for Group Exercise on 17th May 2021.

Finance

The Charity produced a 3-year financial model illustrating performance moving from a position of £1.4 million loss in 2020/21 to a £48,000 surplus by the end of the 2022/23 financial year based on:

2020/21	"Restart"	stripped model based on re-opening 25 th July 2020.
2021/22	"Rebuild"	based on 50% of pre lockdown non-membership income.
2022/23	"Recover"	return to 2020/21 pre lock-down non-membership activity.

The following assumptions have been used to prepare the model:

WAVE LEISURE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT – continued

Achievement and performance – continued

Income

- Membership Direct Debit collection commencing August 2020.
- Membership return assumed at 55% of pre-lock-down rate rising 2% monthly to the end of the financial year.
- Swim activities returning Sept 2020.
- Swim lessons collection return rate set at 45% rising 2% per month.
- Pay As You Go (PAYG) and casual use was assumed at 30% of pre lockdown activity from January 2021 rising to 50% in 2021/22 and 100% in 2022/23.
- Inflation set as RPI – 2.5% from January 2021.

Expenditure

- Inflation set as RPI – 2.5% from April 2021, and CPI for employee costs – 2% from April 2021.
- Employee costs in 2020/21 included cost of restructuring.
- ITC remained fully costed.
- Variable cost base including employees to rise with return of non-membership income.
- Skyhigh Trampoline Park lease break at 31st March 2021 with no assignment.
- Recovery of central service costs from Heritage and Culture Recovery Grant not included.
- New operational income streams and grants awarded for provision of services excluded on the basis that income will match costs.

Plans for future periods

Way Forward Strategy

Phase 1; “Building Confidence”

The theme of the Charity's approach to re-mobilisation was “*Building Confidence*” and there is no doubt from survey results and feedback that customers felt confident in the measures implemented by the team.

“*Building Confidence*” as a theme was also relevant to staff and as the Charity emerge from the second lockdown period it was clear that the team was more confident about working and achieving within a social distanced environment and understanding the barriers to participation for members and customers.

As a period of time, phase 1 provided the opportunity to look to the future, attempt to understand challenges within a changed landscape, reflect on Charitable Objectives, ensure the Charity's Purpose and Vision remained relevant and to ensure that required changes were embraced in order to give the optimal chance of surviving the short term, but also thriving in long run.

I was anticipated that the “*Building Confidence*” theme would continue until the end of the 2020/21 financial year at which point it was estimated that 71% of Gym, Swim and Classes members and 57% of swim school members would be financially engaged providing a new foundation to Phase 2 – “*Build Back Better*”.

Phase 2; “Build Back Better”

31st March 2021 brought to an end the original contractual arrangement between the Charity and Lewes District Council. However, despite the challenging circumstances the Charity was able to successfully negotiate a new 10-year agreement with Lewes District Council ending 2031 with the potential for a further 5 year extension. In addition, to support with the immediate financial pressure, Lewes District Council provided a loan of £500,000 to ease cash flow pressures.

With a new 10-year agreement with Lewes District Council in place the Charity was able to implement its “Build Back Better” Strategy which focused on three key areas:

1. Rebuild
2. Funding and Investments
3. Community Health

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT – continued

Achievement and performance – continued

1. Re-build

COVID-19 and lockdown provided the opportunity to redesign day to day operations, streamlining to reduce costs, and establish new foundations to maximise revenue streams and the relationship with the customer base.

Several 'in site' measures have been implemented to ensure efficient operations including reduced opening hours and reduced staff head count. To drive down expenditure, one third of the workforce was made redundant as highlighted:

- Number of contracted staff made redundant 64
- Number of casual staff no longer used 278
- Number of staff offered alternative role 5
- Implementation timescale 6 weeks - completed

In addition, a number of subtle changes were implemented, for example, a shift away from pure technical/transactional operations team to a more 'person centric' approach through ensuring Fitness Instructors are on-shift throughout each site, as oppose to a technical only team. Fitness Instructors were given a new, site wide role, rather than purely gym focused, ensuring that personal touch comes out of the gym into a wider, whole site environment.

However, "*Build Back Better*" was not just about reducing head count but also re-focusing cost to maximise return. For example, outsourcing Marketing and Communications (Marcomms) to a local external provider "Cobb PR and Marketing" who also provide Marketing and Communication support to a number of the Charity's key partners, including Lewes District and Eastbourne Borough Councils.

This new partnership with Cobb offered a fresh work force to the team, injecting new levels of enthusiasm in a fundamentally critical area of the Charity.

The focus areas for the team across all departments was and continues to be:

- Increasing Participation through a safe, enhanced customer experience.
- Membership Sales and Retention.
- Swim School Memberships Sales, Retention and Quality of Tuition.
- Engaging Clubs and Outside Organisations.

2. Funding and Investment

Either through utilisation of the Charity's funds, successful grant and loan applications, or in partnership with key stakeholders, e.g. Lewes District Council and Eastbourne Borough Council, there are a number of potential 'in site' projects to be implemented including:

Site	Project	Purpose
Downs Leisure Centre	Move Gym to Indoor Play Area (Dino's)	Revenue Generation Customer Satisfaction
Downs Leisure Centre	Refurbishment of site	Revenue Generation Customer Satisfaction
Peacehaven Leisure Centre	Extension to Gym to expand Strength Weights Area	Revenue Generation Customer Satisfaction
Lewes Leisure Centre	Gym/Spin Extension	Revenue Generation Customer Satisfaction
Seahaven Leisure Centre	Rebuild or Identify Suitable Alternative.	Revenue Generation Customer Satisfaction
Eastbourne Sports Park	Create Gym Facility and Academic Teaching Space	Increase Student Numbers Improve Teaching Experience Revenue Generation Customer Satisfaction

WAVE LEISURE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT – continued

Achievement and performance – continued

Site	Project	Purpose
Newhaven Fort	Improve visitor experience through a series of projects linked to: • Health, Safety and Environment • Visitor Attractions • Restoration	Increase Visitor Numbers Revenue Generation Improve Visitor Experience

In addition, the Charity will continue to explore new relevant investment opportunities aligned to the Charity's Purpose, Vision and Charitable Objectives as they arise.

3. Community Health

The Charity has been at the heart of community health since 2006 and has well-established and respected partnerships with several Public Health Partners including East Sussex Public Health and the NHS in relation to the delivery of commissioned services supporting those in greatest need with physical and mental health conditions; services that will prove invaluable in the coming months and years to support those affected by COVID-19.

In recent years, within the leisure trust sector and in Westminster, the Charity has been recognised for its work in public health and in terms of alignment to charitable objectives and to a statutory service the Charity will look to build on work done to date to further develop community links and reputation as a provider of public health services and partner to public health bodies.

Recovery Timeline

As presented, through the implementation of the Charity's "*Build Back Better*" Strategy, the aim is to rebuild back to the 2021 pre-lockdown budget by March 2023, stabilise and repay SIB between 2025 and 2030 and settle any local council loans thereafter.

WAVE LEISURE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT – continued

Achievement and performance – continued

FUNDRAISING

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 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.

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

- The Trustees will have regard to the Charity Commission's 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 stated mission and 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.

WAVE LEISURE TRUST LIMITED

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

FINANCIAL REVIEW

The Charity has been working to an updated service plan which was the basis on which the service fee from Lewes District Council was secured. The results for this fifteenth year continue to demonstrate the value of this plan and the practice of monitoring against the plan.

Incoming resources exceeded expended resources by £74,045 (2020: outgoing resources exceeded incoming resources by £343,465) before pension adjustments. The surplus for the financial year has been impacted by restricted fund income being £1,878,882 rebate under the Job Retention Scheme (refer Note 2) and grants of £1,664,856 (refer Note 4) which includes £850,000 from the Heritage Cultural Recovery Fund in respect of Newhaven Fort, and £236,642 from the National Leisure Recovery Fund which will be expended in the year to 31 March 2022.

The principal incoming resources arising from operations totalling £1,744,545 were from the service fees from Lewes District Council, grant from Eastbourne Borough Council, joint user arrangements, membership fees and swimming.

Expended resources of £4,952,097 includes £2,019,866 in relation to the restricted incoming resources, the principal restricted operational expenditure being employee costs of which £1,878,882 were covered by the Coronavirus Job Retention Scheme (refer Note 5). Operational costs of £2,742,191 were incurred the principal expenditure being staff costs, £1,464,379 incurred to maintain the operational sites through the year and £84,117 redundancy costs incurred arising from a reorganisation as a direct impact of the COVID-19 pandemic.

Investment powers

Under the Memorandum and Articles of Association, the Charity has the power to invest any monies not immediately required for its objects in or upon such investments, securities or property as may be thought fit.

The Charity having regards to the liquidity requirements of operating the centres and to the reserves policy has operated a policy of keeping available funds in an interest bearing Public Sector Reserve Account. During 2017/18, with interest rates remaining low, the Trust sought to maximise the interest earning potential by investing £400,000 of available funds with the Nationwide Building Society and £500,000 with Virgin Money. £200,000 of these cash reserves were drawn down in the year to 31 March 2020 and a further £698,000 was drawn down in the year to 31 March 2021 to provide working capital during the periods of closure due to the COVID-19 pandemic.

Borrowing powers

Under the Memorandum and Articles of Association, the Charity has the power to borrow and raise money for the objects of the Company on such terms and conditions and on such security as may be thought fit. During the year to 31 March 2021 Charity secured a loan of £500,000 from Lewes District Council to provide working capital during closure. The loan is due for repayment in full after 10 years.

Reserves Policy

The Charity, prior to the COVID-19 pandemic, had accumulated a favourable cash flow position. It also receives some income such as service fees and grants in advance of its expenditure. The Trustees, however, recognise the need for a buffer of financial reserves that will protect the Charitable Company from the possibility of any adverse unforeseen circumstances. These include a number of specific risks that have been identified in the Charitable Company's Risk Register. The key financial risk is access to cash, which is determined by the level, timing and certainty of the Charity's income and the phasing and control of expenditure. The Charity's budget process identifies peaks and troughs in cash flow and it is deemed essential that sufficient funds are available at all points in the cycle.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW - continued

Reserves policy – continued

Trustees have examined the requirement for any useable reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. In defining the reserves policy Trustees have been mindful of the requirements within the following areas:

- Insurance
- IT
- Pension Liability
- Development Fund

In light of the direct impact on reserves as a consequence of the COVID-19 pandemic, the Trustees have concluded that as of 31 March 2021 the Designated Funds as of 31 March 2021 totalling £763,523 are released into the General Fund leaving a total of £90,703 in Unrestricted Funds (refer Note 19). The Trustees will review reallocation of funds to the defined Unrestricted funds after a period of 3 years to allow for the company to recover and rebuild post the COVID-19 pandemic (refer Note 19).

• **Pension and Tax Reserve**

Within Unrestrictive Reserves the Charity has a pension scheme liability of £2,117,000 as of 31 March 2021 (2020: £729,000). In the short term, the cash flow impact of having a pension scheme liability is that employer contributions may increase to reduce the liability. The Charity will always pay the employer contribution rates set by the pension scheme actuaries which as of 31 March 2020 for 3 years will be 0% per an independent scheme valuation.

Significant post year end events

The Trustees are pleased to report that the Charity received a loan of £650,000 and a grant of £200,000 under the governments CBILS financing support as a direct result of the COVID-19 pandemic.

WAVE LEISURE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

5621359 (England and Wales)

Registered Charity number

1113486

Registered office

C/o Downs Leisure Centre
Sutton Road
SEAFORD
BN25 4QW

Trustees

Mr K Ellis

Mr P Clarke

Mr M Beaumont (Chair)

Mr M Price

Mr M Miller

Mr A Wisniewski

Cllr S Saunders

resigned 24 July 2020

Cllr L O'Connor

appointed 24 July 2020

Company Secretary

Ms D Witts

Auditors

McCabe Ford Williams

Statutory Auditors and Chartered Accountants

Bank Chambers

1 Central Avenue

Sittingbourne

Kent

ME10 4AE

Bankers

Cooperative Bank

164/165 Western Road

Brighton

East Sussex, BN1 2BB

WAVE LESURE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Mayo Wynne Baxter
20 Gildredge Road
Eastbourne
East Sussex, BN21 4RP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Wave Leisure Trust 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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.

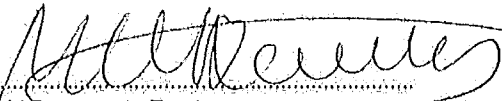
In so far as the trustees are aware:

- 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.

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ~~8th December 2021~~ and signed on the board's behalf by:


Mr M Beaumont - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF **WAVE LEISURE TRUST**

Opinion

We have audited the financial statements of Wave Leisure Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 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 related to going concern

We draw attention to note 1 in the financial statements which indicates that the effects of the COVID-19 pandemic have had a detrimental impact on the trading results of the 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 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 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, 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 this gives rise to a material misstatement in the financial statements themselves. 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
WAVE LEISURE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE LEISURE TRUST

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 company through discussions with directors 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 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.

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;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 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.

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 Committee of Management 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAVE LEISURE TRUST

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



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
Kent
ME10 4AE

Date: 8 December 2021

WAVE LEISURE TRUST**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

					31.3.21	31.3.20
		Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £	Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	-	-	1,878,882	1,878,882	-
Charitable activities	4					
Operation of Recreation and Leisure Sites		1,740,618	-	1,202,715	2,943,333	7,395,012
Investment income	3	<u>3,927</u>	<u>-</u>	<u>-</u>	<u>3,927</u>	<u>3,480</u>
Total		<u>1,744,545</u>	<u>-</u>	<u>3,081,597</u>	<u>4,826,142</u>	<u>7,398,492</u>
EXPENDITURE ON Charitable activities	5					
Leisure Centre activity		<u>2,732,231</u>	<u>200,000</u>	<u>2,019,866</u>	<u>4,952,097</u>	<u>8,030,957</u>
NET INCOME/(EXPENDITURE)		<u>(987,686)</u>	<u>(200,000)</u>	<u>1,061,731</u>	<u>(125,955)</u>	<u>(632,465)</u>
Transfers between funds	19	<u>(91,689)</u>	<u>-</u>	<u>91,689</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>(1,188,000)</u>	<u>-</u>	<u>(1,188,000)</u>	<u>1,545,000</u>
Net movement in funds		<u>(1,079,375)</u>	<u>(1,388,000)</u>	<u>1,153,420</u>	<u>(1,313,955)</u>	<u>912,535</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>1,170,078</u>	<u>(729,000)</u>	<u>39,286</u>	<u>480,364</u>	<u>(432,171)</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>90,703</u></u>	<u><u>(2,117,000)</u></u>	<u><u>1,192,706</u></u>	<u><u>(833,591)</u></u>	<u><u>480,364</u></u>

The notes form part of these financial statements

WAVE LEISURE TRUST (REGISTERED NUMBER: 5621359)**BALANCE SHEET**
31 MARCH 2021

				31.3.21	31.3.20
		Unrestricted	FRS 102 Pension Adjustment Un-restricted	Restricted	Total
	Notes	funds	£	funds	funds
		£	£	£	£
FIXED ASSETS					
Tangible assets	11	261,418	-	742,586	1,004,004
Investments	12	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
		261,419	-	742,586	1,004,005
CURRENT ASSETS					
Stocks	13	1,046	-	-	1,046
Debtors	14	536,080	-	92,613	628,693
Cash at bank and in hand		<u>420,620</u>	<u>-</u>	<u>762,575</u>	<u>1,183,195</u>
		957,746	-	855,188	1,812,934
CREDITORS					
Amounts falling due within one year	15	(628,462)	-	(405,068)	(1,033,530)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>329,284</u>	<u>-</u>	<u>450,120</u>	<u>779,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		590,703	-	1,192,706	1,783,409
CREDITORS					
Amounts falling due after more than one year	16	(500,000)	-	-	(500,000)
PENSION LIABILITY	20	-	(2,117,000)	-	(2,117,000)
		<u>-</u>	<u>(2,117,000)</u>	<u>-</u>	<u>(2,117,000)</u>
NET ASSETS/(LIABILITIES)		<u>90,703</u>	<u>(2,117,000)</u>	<u>1,192,706</u>	<u>(833,591)</u>

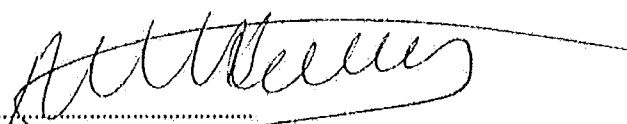
The notes form part of these financial statements

WAVE LEISURE TRUST (REGISTERED NUMBER: 5621359)

BALANCE SHEET - continued
31 MARCH 2021

FUNDS	19		
Unrestricted funds:			
Designated		-	855,212
General		(2,026,297)	(414,134)
Restricted funds		<u>1,192,706</u>	<u>39,286</u>
TOTAL FUNDS		<u>(833,591)</u>	<u>480,364</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 8th December 2021 and were signed on its behalf by:


.....
Mr M Beaumont - Trustee

The notes form part of these financial statements

WAVE LEISURE TRUST**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>569,804</u>	<u>(71,502)</u>
Net cash provided by/(used in) operating activities		<u>569,804</u>	<u>(71,502)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(712,707)	(135,079)
Interest received		<u>3,927</u>	<u>3,480</u>
Net cash used in investing activities		<u>(708,780)</u>	<u>(131,599)</u>
Cash flows from financing activities			
Lewes Council Loan		<u>500,000</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		361,024	(203,101)
Cash and cash equivalents at the beginning of the reporting period	2	<u>822,171</u>	<u>1,025,272</u>
Cash and cash equivalents at the end of the reporting period	2	<u>1,183,195</u>	<u>822,171</u>

The notes form part of these financial statements

WAVE LEISURE TRUST**NOTES TO THE CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2021**1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.3.21 £	31.3.20 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(125,955)	(632,465)
Adjustments for:		
Depreciation charges	90,308	257,411
Interest received	(3,927)	(3,480)
Impairment charges	-	86,540
Decrease in stocks	7,120	15,811
Decrease/(increase) in debtors	106,944	(291,786)
Increase in creditors	295,314	207,467
Difference between pension charge and cash contributions	<u>200,000</u>	<u>289,000</u>
Net cash provided by/(used in) operations	<u>569,804</u>	<u>(71,502)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.21 £	31.3.20 £
Cash in hand and at bank	<u>1,183,195</u>	<u>822,171</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>822,171</u>	<u>361,024</u>	<u>1,183,195</u>
Debt			
Debts falling due after 1 year	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
Total	<u>822,171</u>	<u>(138,976)</u>	<u>683,195</u>

The notes form part of these financial statements

WAVE LEISURE TRUST

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

1. ACCOUNTING POLICIES

Statement of compliance

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. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Basis of preparing the financial statements

Under Financial Reporting Standard 102 (Retirement benefits) the deficit on the trust's pension scheme is included in the financial statements and the trust's reserves have therefore been reduced by the pension deficit creating net liabilities of £833,591 (2020: net assets of £480,364) at the year end.

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 and the valuation of the pension deficit in respect of the local government pension scheme.

Incoming resources

Incoming resources from recreation and leisure sites are included in the Statement of Financial Activities when receivable. Income for annual memberships is accounted for over the membership year.

Management Fee

The normal service fee is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Resources expended

All 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. Resources expended include attributable VAT which cannot be recovered.

Tangible fixed assets

Individual fixed assets relating to leasehold property costing £10,000 or more, or vehicles costing £4,000 or more are capitalised at cost. Tangible fixed assets are depreciated on a straight line basis over the remaining term of the lease of the properties or in the case of vehicles, their expected useful life. Depreciation is calculated as follows:

Improvements to property	- Over remaining term of lease
Motor vehicles	- Straight line over 3 years
Tumble Tots franchise	- Straight line over 5 years

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Plant and machinery	- Over remaining term of lease
Information Technology systems	- Straight line over 5 years

Stocks

Stocks consists of purchased goods for resale and is valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Taxation

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

Unrestricted Funds

Unrestricted funds are incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

Restricted Funds

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

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

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

Pension costs and other post-retirement benefits

The Charity operates a pension scheme providing benefits based on final pensionable pay. Contributions to the defined benefit scheme are charged to the Statement of Financial Activities in order to allocate the cost of providing the pension recognising any actuarial surplus or deficit (where appropriate), over the working lives of the relevant employees as assessed in accordance with the advice of professional qualified actuaries. The assets of the scheme are held separately in an independently administered fund. Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred. These include contributions to the stakeholder pension scheme and employee's personal pension schemes.

Going concern

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

- A significant reduction in income throughout 2020 and 2021 as cases of COVID-19 began to rise in the United Kingdom.
- The closure of all leisure facilities in the United Kingdom by the UK government on 20 March 2020 which resulted in no income from primary purpose trading activities from 20 March 2020 through to the re-opening of leisure facilities, which was permitted in England from 25 July 2020.

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

1. ACCOUNTING POLICIES - continued

Going concern

- A reduction in income compared to previous years from re-opening 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 facilities.
- A further lockdown from 5 November 2020 to 2 December 2020.
- Restrictions continued on activities whilst the site locations were in tier 4.
- A further nationwide lockdown from 5 January 2021 - 29 March 2021 forcing all facilities to close yet again.
- Between April and June measures such as reduced capacity, increased cleaning and social distancing restrictions remained in place via the UK Government.
- A full relaxation of forced legal COVID-19 restrictions were lifted in June 2021 with the emphasis on employers and individuals taking appropriate precautions. However, the Charitable Company continued to operate with restrictions and processes in place to help ensure safety of customers and staff along with increased cleaning, ventilation and sanitising measures. The Crèche and Café remained closed and are planned to reopen later in 2021.

The full extent of the impact of COVID-19 on the charitable 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 or are slow to return to sites as anticipated, this will have a significant impact on projected revenue generation.
- The government continues to measure the spread of the virus and may use a tier system in future which may limit our activities.

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

- We have taken and continue to take advantage of the Coronavirus Job Retention Scheme and other central government support, including 5% VAT scheme.
- We have successfully negotiated with our local authority partner for an extension for a further 10 year agreement as operator of the Lewes District leisure sites from 1 April 2021.
- We are working with the Councils to identify further partnership opportunities.
- In July 2021 we secured a loan of £650,000 and grant support funding of £200,000 from the Resilience and Recovery Loan Fund through the Social Investment Business.
- We have reviewed budgets and reduced expenditure where possible.

Although it is not certain that these efforts will be successful and that is unclear whether consumer behaviour will have been changed by the coronavirus outbreak, and whether restrictions will be reintroduced in the future if levels of the virus rise, the Board of Trustees has determined that the actions that it has taken mitigate the uncertainties and has therefore prepared the financial reporting on a going concern basis.

However, there are material uncertainties related to the events and conditions set out above that may cast significant doubt upon the charitable company's ability to continue as a going concern and therefore whether the charitable company will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

Following the easing of restrictions throughout 2021, the Charitable Company has:

- Reopened the Sky High Trampoline Park to operate at peak times to continue with active play for juniors.
- The café and bar facilities have reopened.
- We are developing new gym facilities at a number of our sites to provide improved services.

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

1. ACCOUNTING POLICIES - continued

Presentation currency

The Charitable Company's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the charitable company. The financial statements are therefore presented in British Pound Sterling.

Group accounting

The Charitable Company is the parent of the wholly owned subsidiary WLT Solutions Limited. The Company has taken advantage of the exemption to the requirement to prepare consolidated financial statements as per section 9.3 of FRS 102 and sections 383 and 384 of the Companies Act 2006.

Service Concession Arrangements

The Charity has a Service Contract with a Local Authority for the maintenance and operation of leisure centres owned by the Local Authority to which it has a lease and management service contract. The Authority has rights under the contract to specify the activities offered by the centres and have influence over the prices charged for them and also may have certain exclusive rights for the use of the centres at certain times. The contract specifies minimum standards for the services to be provided, with deductions from the service management fee payable being made if facilities are unavailable or performance is below the minimum standards.

Property, plant and equipment

The buildings and plant at the centres are leased to the Charity as part of the overall contractual relationship with the Authority but the Authority maintains ultimate control of these assets. Accordingly, the access which the Charity has in the use of these assets is to enable it to operate the leisure centres, so that the Charity can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Charity's Balance Sheet

Receipts

The Charity receives an agreed payment from the Authority each year that can be reduced if the Charity fails to meet availability and performance standards in any year but which is otherwise fixed. In cases where the receipt from the Authority includes funding for specific works to be carried out in accordance with specifications laid down in the contract but which has not been spent at the year- end a provision is included in the financial statements to reflect this.

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****2. DONATIONS AND LEGACIES**

	31.3.21	31.3.20
	£	£
Job Retention Scheme grants	<u>1,878,882</u>	<u>-</u>

3. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Deposit account interest	<u>3,927</u>	<u>3,480</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.21	31.3.20
	Leisure Centre activity £	Total activities £
Leisure centre income	766,610	6,210,292
Management Fee	100,841	237,196
Joint Use Agreement Income	411,026	387,887
Grants	<u>1,664,856</u>	<u>559,637</u>
	<u>2,943,333</u>	<u>7,395,012</u>

Grants received, included in the above, are as follows:

	31.3.21	31.3.20
	£	£
Eastbourne County Council	462,000	462,901
Newhaven Fort Recovery	850,000	-
Tackling Inequalities Fund	5,000	-
Adult Social Care Infection Control Fund	9,960	-
NLRF (LDC)	181,542	-
NLRF (EBC)	55,100	-
Summer Events Programme	8,500	-
Capital Community Fund	141	141
Big Lottery	92,613	56,085
Other Grants	<u>-</u>	<u>40,510</u>
	<u>1,664,856</u>	<u>559,637</u>

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs	Staff Costs	Support Costs	2021 Total Charitable Activities	2020 Total Charitable Activities
	£	£	£	£	£
Leisure Centres	<u>1,220,626</u>	<u>3,487,718</u>	<u>243,753</u>	<u>4,952,097</u>	<u>8,030,957</u>

6. SUPPORT COSTS**Major components of Support Costs**

	Year Ended 31.3.21 £	Year Ended 31.3.20 £
Governance Costs	15,030	15,000
Overheads	142,530	481,822
Communications	51,004	66,577
Marketing	16,624	101,442
Consultancy	7,760	29,546
Motor & Travel	2,492	29,244
Legal & Professional	<u>8,313</u>	<u>25,949</u>
	<u>243,753</u>	<u>749,580</u>

All support costs relate to the sole activity of the Charity, being the provision of Leisure Activities.

7. NET INCOME/(EXPENDITURE)

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

	31.3.21 £	31.3.20 £
Auditor's remuneration	15,030	15,000
Auditor's remuneration under provision	-	2,307
Depreciation - owned assets	90,308	257,411
Hire of plant and machinery	85,207	141,039
Impairment Losses	<u>-</u>	<u>86,540</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no Trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2021**9. STAFF COSTS**

	31.3.21	31.3.20
	£	£
Wages and salaries	3,032,087	4,070,428
Social security costs	167,716	199,068
Other pension costs	<u>287,915</u>	<u>359,626</u>
	<u>3,487,718</u>	<u>4,629,122</u>

Included within staff costs are £84,117 are non-statutory/non-contractual severance payments (2020: £nil). There were a total of 38 redundancies with the largest payment being for £11,525. In addition to these payments, there were also £74,039 worth of payments made to employees where contracts were terminated in lieu of notice.

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

	31.3.21	31.3.20
Senior management	11	10
Recreation Sites	132	160
Administration	10	10
Casual Staff	<u>193</u>	<u>410</u>
	<u>346</u>	<u>590</u>

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

	31.3.21	31.3.20
£90,001 - £100,000	<u>1</u>	<u>1</u>

The number of employees earning in excess of £60,000 (for the year and the preceding year) to whom retirement benefits were accruing was as follows:

	2021	2020
Defined benefit schemes	1	1

The total amount of employee remuneration received by key management personnel is £244,348 (2020: £252,983). The Charitable Company considers its key management personnel comprises of the CEO, the Head of Finance and the Head of Commercial Development.

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Charitable activities				
Operation of Recreation and Leisure Sites	7,342,717	-	52,295	7,395,012
Investment income	<u>3,480</u>	<u>-</u>	<u>-</u>	<u>3,480</u>
Total	7,346,197	-	52,295	7,398,492
 EXPENDITURE ON				
Charitable activities				
Leisure Centre activity	<u>7,683,610</u>	<u>289,000</u>	<u>58,347</u>	<u>8,030,957</u>
NET INCOME/(EXPENDITURE)	(337,413)	(289,000)	(6,052)	(632,465)
 Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	<u>-</u>	<u>1,545,000</u>	<u>-</u>	<u>1,545,000</u>
Net movement in funds	(337,413)	1,256,000	(6,052)	912,535
 RECONCILIATION OF FUNDS				
Total funds brought forward	<u>1,507,491</u>	<u>(1,985,000)</u>	<u>45,338</u>	<u>(432,171)</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,170,078</u>	<u>(729,000)</u>	<u>39,286</u>	<u>480,364</u>

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****11. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2020	1,346,233	146,611	8,671
Additions	<u>711,157</u>	<u>-</u>	<u>1,550</u>
At 31 March 2021	<u>2,057,390</u>	<u>146,611</u>	<u>10,221</u>
DEPRECIATION			
At 1 April 2020	1,161,079	89,904	1,734
Charge for year	<u>33,009</u>	<u>19,263</u>	<u>1,993</u>
At 31 March 2021	<u>1,194,088</u>	<u>109,167</u>	<u>3,727</u>
NET BOOK VALUE			
At 31 March 2021	<u>863,302</u>	<u>37,444</u>	<u>6,494</u>
At 31 March 2020	<u>185,154</u>	<u>56,707</u>	<u>6,937</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2020	8,580	165,917	1,676,012
Additions	<u>-</u>	<u>-</u>	<u>712,707</u>
At 31 March 2021	<u>8,580</u>	<u>165,917</u>	<u>2,388,719</u>
DEPRECIATION			
At 1 April 2020	4,290	37,400	1,294,407
Charge for year	<u>2,860</u>	<u>33,183</u>	<u>90,308</u>
At 31 March 2021	<u>7,150</u>	<u>70,583</u>	<u>1,384,715</u>
NET BOOK VALUE			
At 31 March 2021	<u>1,430</u>	<u>95,334</u>	<u>1,004,004</u>
At 31 March 2020	<u>4,290</u>	<u>128,517</u>	<u>381,605</u>

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****12. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2020 and 31 March 2021	<u>1</u>
NET BOOK VALUE	
At 31 March 2021	<u>1</u>
At 31 March 2020	<u>1</u>

There were no investment assets outside the UK.

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

WLT Solutions Limited

Registered office: Downs Leisure Centre, Sutton Road, Seaford, East Sussex, BN25 4QW

Nature of business: Dormant

	% holding	31.3.21	31.3.20
Class of share:			
Ordinary	100	£	£
Aggregate capital and reserves		1	1

13. STOCKS

	31.3.21	31.3.20
	£	£
Stocks	<u>1,046</u>	<u>8,166</u>

14. DEBTORS

	31.3.21	31.3.20
	£	£
Amounts falling due within one year:		
Trade debtors	134,707	259,694
Amounts owed by group undertakings	750	750
Other debtors	8,455	829
Prepayments and accrued income	<u>426,731</u>	<u>416,314</u>
	<u>570,643</u>	<u>677,587</u>

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****14. DEBTORS - continued**

	31.3.21 £	31.3.20 £
Amounts falling due after more than one year:		
Other debtors	<u>58,050</u>	<u>58,050</u>
Aggregate amounts	<u>628,693</u>	<u>735,637</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Trade creditors	498,982	339,181
Social security and other taxes	97,042	117,305
Other creditors	133,984	27,445
Accruals and deferred income	<u>303,522</u>	<u>254,285</u>
	<u>1,033,530</u>	<u>738,216</u>

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

	31.3.21 £	31.3.20 £
Other loans (see note 17)	<u>500,000</u>	<u>-</u>

The Charitable Company received an unsecured loan of £500,000 from Lewes District Council during the financial year. The loan was issued at an interest rate of 2.75% which shall accrue daily from the draw down of the loan. The first payment of interest shall be made on the last business day of March 2023.

17. LOANS

An analysis of the maturity of loans is given below:

	31.3.21 £	31.3.20 £
Amounts falling due within one year on demand:		
Other loans - 1-2 years	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>-</u>	<u>-</u>
Amounts falling due in more than five years :		
Other loans – more than 5 years	<u>500,000</u>	<u>-</u>

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.21 £	31.3.20 £
Within one year	126,332	101,189
Between one and five years	<u>109,502</u>	<u>159,241</u>
	<u>235,834</u>	<u>260,430</u>

19. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	314,866	(987,686)	763,523	90,703
Insurance & Risk Management	10,000	-	(10,000)	-
Information Technology	67,250	-	(67,250)	-
Buildings, Plant & Equipment	236,819	-	(236,819)	-
Community Fund	3,000	-	(3,000)	-
Development Fund	538,143	-	(538,143)	-
FRS 102 Pension Adjustment				
Un-restricted	<u>(729,000)</u>	<u>(1,388,000)</u>	<u>-</u>	<u>(2,117,000)</u>
	441,078	(2,375,686)	(91,689)	(2,026,297)
Restricted funds				
Ancient History Centre	39,286	(7,857)	-	31,429
Newhaven Fort Recovery	-	726,833	91,689	818,522
Big Lottery	-	92,613	-	92,613
Tackling Inequalities Fund	-	5,000	-	5,000
Summer Events Programme	-	8,500	-	8,500
Adult Social Care Infection Control Fund	-	-	-	-
National Leisure Recovery Fund	<u>-</u>	<u>236,642</u>	<u>-</u>	<u>236,642</u>
	<u>39,286</u>	<u>1,061,731</u>	<u>91,689</u>	<u>1,192,706</u>
TOTAL FUNDS	<u>480,364</u>	<u>(1,313,955)</u>	<u>-</u>	<u>(833,591)</u>

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****19. MOVEMENT IN FUNDS - continued**

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	1,744,545	(2,732,231)	-	(987,686)
FRS 102 Pension Adjustment				
Un-restricted	-	(200,000)	(1,188,000)	(1,388,000)
	1,744,545	(2,932,231)	(1,188,000)	(2,375,686)
Restricted funds				
Ancient History Centre	-	(7,857)	-	(7,857)
Heritage Cultural Recovery Fund	850,000	(123,167)	-	726,833
Big Lottery Fund	92,613	-	-	92,613
Job Retention Scheme	1,878,882	(1,878,882)	-	-
Tackling Inequalities Fund	5,000	-	-	5,000
Summer Events Programme	8,500	-	-	8,500
Adult Social Care Infection Control Fund	9,960	(9,960)	-	-
National Leisure Recovery Fund	236,642	-	-	236,642
	3,081,597	(2,019,866)	-	1,061,731
TOTAL FUNDS	<u>4,826,142</u>	<u>(4,952,097)</u>	<u>(1,188,000)</u>	<u>(1,313,955)</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	652,279	(337,413)	314,866
Insurance & Risk Management	10,000	-	10,000
Information Technology	67,250	-	67,250
Buildings, Plant & Equipment	236,819	-	236,819
Community Fund	3,000	-	3,000
Development Fund	538,143	-	538,143
FRS 102 Pension Adjustment			
Un-restricted	(1,985,000)	1,256,000	(729,000)
	(477,509)	918,587	441,078
Restricted funds			
Ancient History Centre	45,338	(6,052)	39,286
TOTAL FUNDS	<u>(432,171)</u>	<u>912,535</u>	<u>480,364</u>

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

19. MOVEMENT IN FUNDS - continued

Comparative 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	7,346,197	(7,683,610)	-	(337,413)
FRS 102 Pension Adjustment				
Un-restricted	-	(289,000)	1,545,000	1,256,000
	7,346,197	(7,972,610)	1,545,000	918,587
Restricted funds				
Get Set Programme	4,307	(4,307)	-	-
Ancient History Centre	-	(6,052)	-	(6,052)
Big Lottery	47,988	(47,988)	-	-
	52,295	(58,347)	-	(6,052)
TOTAL FUNDS	<u>7,398,492</u>	<u>(8,030,957)</u>	<u>1,545,000</u>	<u>912,535</u>

Ancient History Centre

The Charity has received funding of £55,000 via East Sussex County Council to transform a relatively tired existing exhibition in one of the casemates, into a new exhibition/learning resource. This space now tells the story of how Newhaven and surrounding areas were inhabited during pre-roman times, and offers events programs to the public. The full funding of £55,000 has been capitalised in 2017/18 and written down over the remaining period of the lease.

Heritage Cultural Recovery Fund

Awarded by the Department of Digital, Cultural, Media and Sport, administered by the Heritage Lottery Fund. A total of £850,000 was awarded specifically for Newhaven Fort to enable it to relaunch in spring 2021. Overall purpose of the grant was to create an on-site visitor experience which complies with Government COVID-19 safe working protocols. Exhibition spaces were reviewed, adapted and renewed along with ticketing, tea room and shop to enable social distancing. The use of 'virtual' and 'digital' technology was applied to improve the visitor experience both off and on site. The grant was deemed to be of a restrictive capital nature with £711,000 being treated as Fixed Asset additions with the majority of the spend relating to physical building works and interactive audio visual displays.

Big Lottery

The Charity has been awarded a grant of £264,603 from the Big Lottery Reaching Communities Fund towards staffing, administration and accommodation overheads for the "Newhaven Live Life Project" to be run at Shakespeare Hall, Newhaven. The project involves increasing physical health and wellbeing, participating in healthy eating and improving the employability of young people in the Newhaven area over a five year period. The five year project commenced in September 2015 and income and expenditure included in the 2020/21 accounts amounted to income of £92,613 (2020: £47,988) and expenditure of £nil (2020: £47,988), this has left a restricted fund balance of £92,613 at 31 March 2021. Due to the pandemic there has been a delay in the outgoing services and costs associated with this project will be incurred in the next financial year.

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

19. MOVEMENT IN FUNDS - continued

Tackling Inequalities Fund

Grant was awarded in the year ended 31 March 2021 and income totalled £5,000 and will be expended in the year ended 31 March 2022.

Summer Events Programme

Grant was awarded in the year ended 31 March 2021 and income totalled £8,500 and will be expended in the year ended 31 March 2022.

National Leisure Recovery Fund

The fund was made available to support the difference between income and expenditure for the period 1 December 2020 to 31 March 2021 that enables leisure facilities to reopen, or partially reopen. During the year ended 31 March 2021, £236,642 was received and was set aside to be used against reopening related spend in the year ended 31 March 2022, as allowed by an amendment to the grant conditions when a further national lockdown was introduced.

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

20. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit scheme in the UK. The pension cost and provision for the year are based on the advice of a professionally qualified actuary the most recent full actuarial valuation is dated 31 March 2019. A roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pension liability at 31 March 2021. 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.

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.3.21	31.3.20
	£	£
Current service cost	161,000	280,000
Net interest from net defined benefit asset/liability	17,000	50,000
Admin cost	10,000	-
Past service cost	<u>25,000</u>	<u>20,000</u>
	<u>213,000</u>	<u>350,000</u>
 Actual return on plan assets	 <u>191,000</u>	 <u>221,000</u>

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

	Defined benefit pension plans	
	31.3.21	31.3.20
	£	£
Opening defined benefit obligation	9,062,000	11,146,000
Current service cost	161,000	280,000
Past service cost	25,000	20,000
Contributions by scheme participants	37,000	46,000
Interest cost	208,000	271,000
Benefits paid	(127,000)	(116,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(147,000)	(313,000)
Actuarial (gains)/losses from changes in financial assumptions	3,020,000	(1,430,000)
Oblig other remeasurement	<u>(106,000)</u>	<u>(842,000)</u>
	<u>12,133,000</u>	<u>9,062,000</u>

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2021**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.3.21	31.3.20
	£	£
Opening fair value of scheme assets	8,333,000	9,161,000
Contributions by employer	13,000	61,000
Contributions by scheme participants	37,000	46,000
Expected return	191,000	221,000
Benefits paid	(127,000)	(116,000)
Assets no descr	(10,000)	-
Return on plan assets (excluding interest income)	<u>1,579,000</u>	<u>(1,040,000)</u>
	<u>10,016,000</u>	<u>8,333,000</u>

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

	Defined benefit pension plans	
	31.3.21	31.3.20
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	147,000	313,000
Actuarial (gains)/losses from changes in financial assumptions	(3,020,000)	1,430,000
Oblig other remeasurement	106,000	842,000
Return on plan assets (excluding interest income)	<u>1,579,000</u>	<u>(1,040,000)</u>
	<u>(1,188,000)</u>	<u>1,545,000</u>

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

	Defined benefit pension plans	
	31.3.21	31.3.20
Equities	75%	71%
Bonds	15%	17%
Property	8%	10%
Cash	<u>2%</u>	<u>2%</u>
	<u>100%</u>	<u>100%</u>

WAVE LEISURE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2021**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.3.21	31.3.20
Discount rate	2.05%	2.30%
Future salary increases	2.85%	1.80%
Future pension increases	2.85%	1.80%

Amounts for the current and previous four periods are as follows:

	2021	2020	2019	2018	2017
Defined benefit pension plans					
Defined benefit obligation	(12,133,000)	(9,062,000)	(11,146,000)	(9,659,000)	(9,394,000)
Fair value of scheme assets	10,016,000	8,333,000	9,161,000	8,532,000	8,301,000
(Deficit) surplus	(2,117,000)	(729,000)	(1,985,000)	(1,127,000)	(1,093,000)

Lewes District Council has given a legal undertaking guaranteeing that if any sums are due and owing to the pension scheme by the Charity pursuant to the terms of the pension admissions agreement between the Charity and Lewes District Council dated 31 March 2006, that Lewes District Council will make good any deficit in the event of the liquidation or winding up of the charitable company. As this indemnity represents a contingent asset it has not been reflected in the financial statements.

Sensitivity Analysis

Changes in assumptions at 31 March 2021	Approx % Increase to Employer Liability	Approximate Monetary Amount (£000)
0.5% decrease in Real Discount Rate	12.00%	1,108,000
0.5% increase in Salary Increase Rate	1.50%	87,000
0.5% increase in the Pension Increase Rate	11.00%	1,016,000

21. RELATED PARTY DISCLOSURES

The Charity has a very close relationship with Lewes District Council, however it is not considered to be a related party due to the control criteria not being met.

A Trustee, Mike Price, has a family connection with an employee at Wave Leisure Trust Limited. The following summarises the transactions taken place in 2020/21:

	31.3.21	31.3.20
	£	£
J Price Salary	18,576	23,730

22. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party. The Board of Trustees and the management team are responsible for the strategic and operational decisions of the charity.