

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

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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.	<ul style="list-style-type: none">Downs Leisure CentreLewes Leisure Centre (dry activities only)Seahaven Swim and Fitness Centre (dry activities only)Peacehaven Leisure CentreShakespeare HallEast Grinstead Sports ClubEastbourne Sports ParkHampden Park Sports CentreSovereign Harbour Community CentreRegency 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.	<ul style="list-style-type: none">• Shinewater Sports Centre• Cavendish Sport Centre	1st Sept
Phase Three	Swimming, Learn to Swim (Wave Swim School) and other Aquatic Activities	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 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

Cllr L O'Connor

resigned 24 July 2020

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.

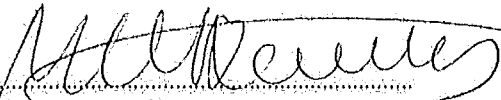
In so far as the trustees are aware:

- 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><u>1,183,195</u></u>	<u><u>822,171</u></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		
Class of share:			
Ordinary	100		
		31.3.21	31.3.20
		£	£
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.