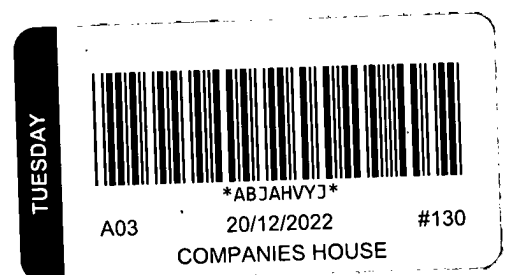


**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**  
**FOR**  
**WAVE ACTIVE LIMITED**  
**PREVIOUSLY KNOWN AS WAVE LEISURE TRUST**

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



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**FOR THE YEAR ENDED 31 MARCH 2022**

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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objects of the Charity**

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

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**OBJECTIVES AND ACTIVITIES**

**Public benefit**

The Trustees confirm that they have complied with the duties in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

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

The Charity provides leisure services to the residents primarily, but not restricted to the Lewes District area of East Sussex. For example, elements of work, aligned to objects and core business activities are conducted in Eastbourne.

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

- Downs Leisure Centre, Seaford
- Lewes Leisure Centre, Lewes
- Peacehaven Leisure Centre, Peacehaven
- Seahaven Swim and Fitness Centre, Newhaven
- Seaford Head Swimming Pool
- Ringmer Swimming Pool (temporarily closed)
- Shakespeare Hall, Newhaven
- Newhaven Fort, Newhaven
- East Grinstead Sports Club, East Grinstead (to 31st December 2022)
- Hampden Park Sports Centre, Eastbourne
- Eastbourne Sports Park
- Shinewater Sports Centre, Eastbourne
- Cavendish Sports Centre, Eastbourne (to 31st August 2022)
- Motcombe Swimming Pool, Eastbourne (temporarily closed)
- Regency Park Community Centre, Eastbourne
- Sovereign Harbour Community Centre, Eastbourne
- Skyhigh Trampoline Park

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

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

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2022**

**STRATEGIC REPORT**

**Achievement and performance**

**Charitable activities**

The Charity completed its 16th year of trading after its transition from a Local Authority controlled service to a Charitable Company in 2006.

On 20th March 2020, the Government instructed all leisure centres to close with immediate effect and that lock-down remained in place until 25th July 2020 at which point leisure centres could re-open but only if strict health and safety measures, including social distancing were implemented and maintained. As the year progressed the Charity was subjected to two further periods of lockdown, the second commencing 4th November 2020, re-opening on 3rd December 2020 and the third starting 24th December 2020, re-opening for outdoor activities on 29th March 2021, followed by gym and swim on 12th April and finally re-opening for Group Exercise on 17th May 2021.

**Newhaven Fort and Skyhigh Trampoline Park**

In relation to Newhaven Fort, a water mains leak prevented the site from re-opening post lockdown and although a significant grant of £850,000 from DCMS, distributed via the Heritage Lottery Fund, was awarded, it was agreed that the Fort would remain closed until spring 2021. Skyhigh Trampoline Park reopened for peak times in September 2021.

**Staffing**

Whilst the Furlough Scheme supported with the retention of staff, as the first period of lockdown continued, it became clear that, inevitably, redundancies would be required to reflect the new reality and structure of operations.

The restructure cut across every department, supporting the key objective to reduce the financial burden, protect cash whilst maximising revenue opportunities and that approach has remained in place ensuring staff costs as a percentage of income remains at circa 52%, much lower than previous years.

Through the course of the 2021/22 financial year, recruiting into vacant full time contractual posts has proven to be very challenging. In some instances, this has affected the ability for the Charity to offer services and restricted activity programme development.

**Finance**

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

2020/21 "Restart" stripped model based on re-opening 25th July 2020.

2021/22 "Rebuild" based on 50% of pre lockdown non-membership income.

2022/23 "Recover" return to 2020/21 pre lock-down non-membership activity.

Unfortunately, due to further lockdowns the timeline associated with the financial model were unachievable. However, the targets remained, albeit with revised timeline.

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

Figure 1

<b>Income Assumption</b>	<b>Income Performance Achieved</b>
Membership Direct Debit collection commencing August 2020.	Membership Direct Debit collections fully resumed in June 2021
Membership return assumed at 55% of pre-lock-down rate rising 2% monthly to the end of the financial year.	Membership returned at 64% of pre-lock-down rate and rose to 85% at the end of the financial year
Swim activities returning Sept 2020.	Bookable swim sessions commenced September 2020 and Swim School direct debits resumed October 2020.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2022**

**STRATEGIC REPORT - continued****Achievement and performance – continued**

Figure 1 - continued

Swim lessons collection return rate set at 45% rising 2% per month.	Swim School collections resumed fully in June 2021 at 67% pre-lock-down rate and rose to 106% at the end of the financial year
Pay As You Go (PAYG) and casual use was assumed at 30% of pre lockdown activity from January 2021 rising to 50% in 2021/22 and 100% in 2022/23.	PAYG and Casual use reached 44% in 2021/22, and outdoor bookings returned to 65%, average across all sites.
Inflation set as RPI - 2.5% from January 2021.	Prices rose by an average of 3.5% in 2021.
<b>Expenditure Assumption</b>	<b>Expenditure Performance Achieved</b>
Inflation set as RPI - 2.5% from April 2021, and CPI for employee costs - 2% from April 2021.	Employee costs were increased by the CPI December 2021 of 5.4%.
Employee costs in 2020/21 included cost of restructuring.	£158,156 employee costs were incurred as part of the 2020/21 restructuring.
ITC remained fully costed.	Deferred payment terms agreed for key licence fees and equipment leases.
Variable cost base including employees to rise with return of non-membership income.	Variable costs were maintained in line with KPI's
Skyhigh Trampoline Park lease break at 31st March 2021 with no assignment.	The lease was not assigned, Skyhigh Trampoline Park reopened September 2021, trading in peak hours Friday through to Monday.
Recovery of central service costs from Heritage and Culture Recovery Grant not included.	£34,750 recovery of central costs were earned
New operational income streams and grants awarded for provision of services excluded on the basis that income will match costs.	£200,000 CBIL's grant was awarded in July 2021.

As presented in the 2020/21 Report of the Trustees, the way forward plans for future periods focused on a three phased recovery:

**Phase 1; "Building Confidence"**

The theme of the Charity's approach to re-mobilisation was "Building Confidence" and there is no doubt from survey results and feedback that customers felt confident in the measures implemented by the team. In addition, on the back of appropriate training, it was clear that the staff were confident about working and achieving within a social distanced environment along with understanding the barriers to participation for members and customers.

As a period of time, phase 1 provided the opportunity to look to the future, attempt to understand challenges within a changed landscape, reflect on Charitable Objectives, ensure the Charity's Purpose and Vision remained relevant and to ensure that required changes were embraced in order to give the optimal chance of surviving the short term, but also thriving in long run. Given the circumstances, the Charity's Purpose "Inspiring Active Lifestyles" and Vision "to be at the heart of the improvement of health and wellbeing in the community" felt even more relevant and, as such a renewed commitment and vigor to deliver a programme of health conditioned focused activities.

It was anticipated that the "Building Confidence" theme would continue until the end of the 2020/21 financial year at which point it was estimated that 71% of Gym, Swim and Classes members and 57% of swim school members would be financially engaged providing a new foundation to Phase 2 - "Build Back Better". Unfortunately, due to further lockdowns gym and swim activities did not return until 12th April 2021 and Group Exercise Classes on 17th May 2021 so it became impossible to achieve the targets.

Since re-opening, although a significant number of pre-covid customers have returned, there is no doubt that 'confidence' remains a barrier for some, particularly within the older people age band. However as the programme of Health Condition focused activities builds, the hope is that there will be a resulting increase in older people participation.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2022**

**STRATEGIC REPORT - continued****Achievement and performance – continued****Phase 2; "Build Back Better"**

31st March 2021 brought to an end the original contractual arrangement between the Charity and Lewes District Council. However, despite the challenging circumstances the Charity was able to successfully negotiate a new 10-year agreement with Lewes District Council ending 2031 with the potential for a further 5 year extension. In addition, to support with the immediate financial pressure, Lewes District Council provided a loan of £500,000 to ease cash flow pressures.

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

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

**Phase 3; "Re-build"**

COVID-19 and lockdown provided the opportunity to redesign day to day operations, streamlining to reduce costs, and establish new foundations to maximise revenue streams and the relationship with the customer base.

Several 'in site' measures have been implemented to ensure efficient operations including reduced opening hours and reduced staff head count.

However, "Build Back Better" was not just about reducing head count but also re-focusing cost to maximise return. For example, outsourcing Marketing and Communications (Marcomms) to a local external provider "Cobb PR and Marketing" who also provide Marketing and Communication support to a number of the Charity's key partners, including Lewes District and Eastbourne Borough Councils. This new partnership with Cobb has continued, albeit with some refinement and associated cost reduction, leading to the introduction of a new member of the internal Marketing Team.

Whilst the rebuilding process continues, the structure of the Charity has remained stable and settled for over six months, in part due to the introduction of a new Senior Operations Manager co-ordinating and communicating in the heart of the front line team. This new role has proven to be immensely valuable in supporting sites staff, addressing key issues quickly whilst driving performance and maintaining standards.

**Funding and Investment**

Either through utilisation of the Charity's funds, successful grant and loan applications, or in partnership with key stakeholders, e.g. Lewes District Council and Eastbourne Borough Council, there are a number of potential 'in site' projects to be implemented including:

Site	Project	Purpose	2021 update
Downs Leisure Centre	Move Gym to Indoor Play Area (Dino's)	Revenue Generation Customer Satisfaction	Complete
Downs Leisure Centre	Refurbishment of site	Revenue Generation Customer Satisfaction	Complete
Peacehaven Leisure Centre	Extension to Gym to expand Strength Weights Area	Revenue Generation Customer Satisfaction	In progress
Lewes Leisure Centre	Gym/Spin Extension	Revenue Generation Customer Satisfaction	Gym extension complete
Seahaven Leisure Centre	Rebuild or Identify Suitable Alternative.	Revenue Generation Customer Satisfaction	In progress

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**STRATEGIC REPORT - continued****Achievement and performance – continued**

Eastbourne Sports Park	Create Gym Facility and Academic Teaching Space	Increase Student Numbers Improve Teaching Experience Revenue Generation Customer Satisfaction	Complete
Newhaven Fort	Improve visitor experience through a series of projects linked to:- Health, Safety and Environment- Visitor Attractions- Restoration	Increase Visitor Numbers Revenue Generation Improve Visitor Experience	Towns Fund Project in Progress

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

**3. Community Health**

The Charity has been at the heart of community health since 2006 and has well-established and respected partnerships with several Public Health Partners including East Sussex Public Health and the NHS in relation to the delivery of commissioned services supporting those in greatest need with physical and mental health conditions; services that will prove invaluable in the coming months and years to support those affected by COVID-19.

In line with the defined outcomes from a Board Strategy Planning Meeting held early in 2022, a renewed commitment to expand the range of health conditioned partnerships and activity sessions have been formed and implemented. For example, the introduction of the "Make a Move" Project incorporating "MoveMore" activity sessions.

"Make a Move" aims to improve the health and life chances of adults and has three primary objectives:

1. Adult's physical and mental health will be improved through accessing a range of i-centric focussed health/wellbeing activities.
2. Adult's physical and mental health will be improved through accessing health condition specific group activity sessions.
3. Adult's emotional wellbeing will be improved by attending socially inclusive activities within community settings and green spaces.

In addition to specific health condition sessions, e.g., cardiac, stroke and cancer rehab session, new multi health condition-based sessions have been introduced across the Charity supporting those most in need of physical activity for health improvement or maintenance.

Also, new partnerships have been created, for example, in partnership with South Downs Health and Care GP Federation, new Long Covid-19 support sessions are being provided, supporting those who have been most affected by the physical, mental and emotional impact of the Covid-19 Virus.

Finally, a three-part joint proposal has been presented to Lewes District Council which, if approved would bring about the formation of a new Health Hub in Newhaven Town Centre combining GP and other Primary Health Care Services with leisure centre facilities and activities. The Health Hub project will be a key focus through the 2022/23 financial year, hopefully completing and opening at some in 2024.

**Recovery Timeline**

As presented, through the implementation of the Charity's "Build Back Better" Strategy, the aim remains to rebuild back to the 2021 pre-lockdown budget by March 2023, stabilise and repay CBILs loan between by 2026 and 2030 and settle any local council loans thereafter. As of 31 December 2022, the contract with East Grinstead Sports will be terminated by mutual agreement.



**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**STRATEGIC REPORT - continued**

**Achievement and performance - continued**

**Fundraising activities**

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

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

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

**Financial review**

**Financial Position**

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

Incoming resources exceeded expended resources by £99,198 (2021: incoming resources exceeded outgoing resources by £74,045) before pension adjustments. The surplus for the financial year includes restricted fund income of £225,652 of which £206,053 is a rebate under the Job Retention Scheme (refer Note 2). In addition, the surplus for the year has been impacted by the receipt of a Social Investment Business grant of £200,000. A total of £319,446 restricted funds brought forward from 2020/21 were matched with expenditure in 2021/22.

The principal incoming resources arising from operations totalling £4,953,986 (2021: £1,744,545) were from the service fees from Lewes District Council, grant from Eastbourne Borough Council, joint user arrangements, membership fees, swimming and other health and fitness activities.

Expended resources of £5,348,440 (2021: £4,952,097) includes £545,098 (2021: £2,019,866) in relation to the restricted incoming resources brought forward from 2021, the principal restricted operational expenditure being employee costs of which £206,053 (2021: £1,878,882) were covered by the Coronavirus Job Retention Scheme (refer Note 2).

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**STRATEGIC REPORT**

**Financial review**

**Investment powers**

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

The Charity having regards to the liquidity requirements of operating the centres and to the reserves policy has operated a policy of keeping available funds in interest bearing Public Sector Reserve Accounts. During 2021/22, with interest rates remaining low, the Trust sought to maximise the interest earning potential by investing £601,000 of available funds with the Nationwide Building Society and £451,000 with Virgin Money. Subsequent to the year end a further £450,000 cash reserves were invested.

**Borrowing powers**

Under the Memorandum and Articles of Association, the Charity has the power to borrow and raise money for the objects of the Company on such terms and conditions and on such security as may be thought fit. During the year to 31 March 2021 Charity secured a loan of £500,000 from Lewes District Council to provide working capital during closure. The loan is due for repayment in full after 10 years. In the year to 31 March 2022 the Charity drew down a CBIL's loan of £650,000, a government backed loan made available as a direct result of the COVID-19 pandemic to provide working capital to aid recovery and reinvestment in operating assets; repayment of the loan is over 48 months from August 2022 and carries an interest payable of 7%.

**Reserves policy**

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

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

- Insurance
- IT
- Pension Liability
- Development Fund

In light of the direct impact on reserves as a consequence of the COVID-19 pandemic, as of 31 March 2021 the Designated Funds totalling £763,523 were released into the General Fund leaving a total of £90,703 in Unrestricted Funds brought forward 1st April 2021 (refer Note 20). The Trustees will review reallocation of funds to the defined Unrestricted funds after a period of 4 years to allow for the company to recover and rebuild post the COVID-19 pandemic and repay in full the CBILs loan (refer Note 20).

**Pension and Tax Reserve**

Within Unrestricted Reserves the Charity has a pension scheme liability of £720,000 (2021: £2,117,000) as of 31 March 2022. In the short term, the cash flow impact of having a pension scheme liability is that employer contributions may increase to reduce the liability. The Charity will always pay the employer contribution rates set by the pension scheme actuaries which as of 31 March 2020 for 3 years will be 0% per an independent scheme valuation.

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**STRATEGIC REPORT**

**Financial review**

**Significant post year end events**

The Trustees are pleased to report that the transfer of the provision of health and leisure activities of The Sovereign Centre from Eastbourne Borough Council to Wave Active Limited as of 1st June 2023 was ratified by the Council on 3rd November 2022. The contract with East Grinstead Sports Club terminates as of 31 December 2022.

On the 28th November 2022, the Trustees approved a renaming of the company to Wave Active Limited.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

Wave Active Limited is a Charitable Company limited by guarantee. It was incorporated on 14 November 2005, registered as a Charity on 14 March 2006 and commenced trading on 1 April 2006. The Charity passed a special resolution on 10 January 2006 changing its name from Lewes District Leisure Trust Limited to Wave Active Limited.

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

**Recruitment and appointment of new trustees**

**Appointment of Trustees**

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

The Board of Trustees shall consist of:

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

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

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

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

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

No Trustee shall serve on the Board for more than nine years in total.

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new trustees**

**Trustee Induction and Training**

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

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

In 2021/22, internal training for Trustees comprised the following:

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

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

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT****Organisation**

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

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

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

Figure 2

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

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

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

On the back of a change to the Articles of Association, enabling a second Local Authority Trustee Representative to be appointed, on 8th December 2021 Councillor Johnny Denis joined the Board.

In addition, on 4th April 2022 (Eric's first Board Meeting) Eric Kihlstrom, a new Community Trustee joined the Board and is currently working through the induction process.

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

Schedule of the work that the Board operates is provided in figure 3:

Figure 3

Wave Active Limited	Minimum Frequency	Method of Scrutiny	Elected Chair	No. of Trustees
Full Board of Trustees++	7 per annum including the AGM (although additional meetings may be called as required)	Matters Reserved for the Board agreed and in place	Mark Beaumont (resigned 3/10/22 - replaced by Eric Kihlstrom 5/12/22)	9
Governance Sub Group	6 per annum	Terms of Reference agreed and in place	Mike Price	3
Health and Safety Sub Group	4 per annum	Terms of Reference agreed and in place	David Hearn	2
Finance and Audit Sub Group	6 per annum	Terms of Reference agreed and in place	Marcell Miller	3

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

Figure 4

Name	Full Board (incl AGM)	Governance Sub Group	Finance & Audit Sub Group	Health & Safety Sub Group
Mark Beaumont (Chair - resigned 03/10/22) Registered: 16/07/15	7/8	N/A	5/7	N/A
Mike Price Registered: 16/07/15	7/8	Chair 6/6	N/A	N/A
Phil Clarke Registered: 25/02/16	8/8	5/6	N/A	N/A
Kevin Ellis Registered: 31/07/2018	6/8	N/A	7/7	N/A
Marcel Miller Registered: 22/02/2018	8/8	N/A	Chair 7/7	N/A
Alan Wisniewski Registered: 26/05/2017	4/8	6/6	N/A	N/A

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

Figure 4 - continued

<b>Name</b>	<b>Full Board (incl AGM)</b>	<b>Governance Sub Group</b>	<b>Finance &amp; Audit Sub Group</b>	<b>Health &amp; Safety Sub Group</b>
Cllr Laurence O'Connor	7/8	N/A	N/A	4/4
Cllr Johnny Denis	6/8	N/A	N/A	N/A
Co-opted David Hearn	8/8	N/A	N/A	Chair 4/4

**Board and Trustee Evaluation**

In 2021/22, the Governance Sub Group, of three trustees, continued to review matters in line with the annual work plan which includes a comprehensive review of the Governance arrangements of the Charity. As well as identifying areas to strengthen current arrangements around policy and procedures.

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

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

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

**Related parties**

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

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

**Pay Policy for Senior Staff**

The Directors comprise the Board of Directors, who are the Trust's Trustees, and the Business Development Team which comprise of the key management personnel of the Charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give of their time freely. Details of Trustee expenses and related party transactions are disclosed in notes 9 and 22 to the accounts. The pay for senior staff is reviewed annually and normally increased in accordance with the Consumer Price Index.

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Disabled Employees**

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

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

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

**Employee Involvement**

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

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

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

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

In accordance with legal requirements and in response to good employment practice our aim is to ensure employees are:

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

Some key principles of effective consultation that we follow:

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



**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT****Risk management**

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

The risks and uncertainties faced by the Charity are regularly reviewed formally and informally by senior management and formally with the Trustees as part of the work assigned to the Finance and Audit Sub Group and Governance Sub Group subsequently reported to the Board. The Charity has developed a Risk Register which is used to identify the primary risks faced by the Charity. The risk register is regularly reviewed and the actions and initiatives to be taken to mitigate those risks are agreed as part of the regular business of the Board.

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

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

**Figure 5: Identified Risks and Management Procedures**

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Figure 5: Identified Risks and Management Procedures - continued**

Identified Risk	Description	How we manage the risk
Economic Risk	Failure to achieve income levels due to increased competition or a reduction in levels of customers disposable income.	Regular review of pricing against competitors, price promotion and comprehensive systems for gathering customer feedback

**Board and Trustee Evaluation**

In 2021/22, the Governance Sub Group, of three trustees, continued to review matters in line with the annual work plan which includes a comprehensive review of the Governance arrangements of the Charity. As well as identifying areas to strengthen current arrangements around policy and procedures.

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

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

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

**Pay Policy for Senior Staff**

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

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

05621359 (England and Wales)

**Registered Charity number**

1113486

**Registered office**

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

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2022**

**Trustees**

Mr K Ellis  
Mr P Clarke  
Mr M Beaumont  
Mr M Price  
Mr M Miller  
Mr A Wisniewski  
Cllr L O'Connor  
Cllr J Denis appointed 8 December 2021  
Mr E Kihlstrom (Chair) appointed 4 April 2022

**Company Secretary**

Ms D Witts

**Auditors**

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

**CHANGE OF NAME**

The charitable company passed a special resolution on 28 November 2022 changing its name from Wave Leisure Trust to Wave Active Ltd.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Wave Active Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

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

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

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF TRUSTEES RESPONSIBILITIES - continued

In so far as the trustees are aware:

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

AUDITORS

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 5/12/22 and signed on the board's behalf by:

  
.....  
Mr E Kihlstrom

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

### **Opinion**

We have audited the financial statements of Wave Active Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

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

**Our responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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


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

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

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

**Use of our report**

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

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

Date: 5/12/22



**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2022**

				31.3.22	31.3.21
		Unrestricted funds	FRS 102 Pension Adjustment Un-restricted	Restricted funds	Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	5,000	-	206,053	211,053
<b>Charitable activities</b>					
Leisure Centre activity		4,948,782	-	19,599	4,968,381
Investment income	3	204	-	-	204
<b>Total</b>		<u>4,953,986</u>	<u>-</u>	<u>225,652</u>	<u>5,179,638</u>
<b>EXPENDITURE ON</b>					
Raising funds	5	18,405	-	-	18,405
<b>Charitable activities</b>	6				
Leisure Centre activity		<u>4,516,937</u>	<u>268,000</u>	<u>545,098</u>	<u>5,330,035</u>
<b>Total</b>		<u>4,535,342</u>	<u>268,000</u>	<u>545,098</u>	<u>5,348,440</u>
<b>NET INCOME/(EXPENDITURE)</b>		418,644	(268,000)	(319,446)	(168,802)
Transfers between funds	20	162,664	-	(162,664)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>1,665,000</u>	<u>-</u>	<u>1,665,000</u>
<b>Net movement in funds</b>		581,308	1,397,000	(482,110)	1,496,198
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>90,703</u>	<u>(2,117,000)</u>	<u>1,192,706</u>	<u>(833,591)</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>672,011</u>	<u>(720,000)</u>	<u>710,596</u>	<u>(833,591)</u>

The notes form part of these financial statements

**BALANCE SHEET**  
**31 MARCH 2022**

				31.3.22	31.3.21
		Unrestricted funds	FRS 102 Pension Adjustment Un-restricted	Restricted funds	Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12	301,670	-	710,596	1,012,266
Investments	13	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
		301,671	-	710,596	1,012,267
<b>CURRENT ASSETS</b>					
Stocks	14	21,443	-	-	21,443
Debtors	15	622,942	-	-	622,942
Cash at bank and in hand		<u>1,712,044</u>	<u>-</u>	<u>60,551</u>	<u>1,772,595</u>
		2,356,429	-	60,551	2,416,980
<b>CREDITORS</b>					
Amounts falling due within one year	16	(954,680)	-	(60,551)	(1,015,231)
<b>NET CURRENT ASSETS</b>		<u>1,401,749</u>	<u>-</u>	<u>-</u>	<u>1,401,749</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,703,420	-	710,596	2,414,016
<b>CREDITORS</b>					
Amounts falling due after more than one year	17	(1,031,409)	-	-	(1,031,409)
<b>PENSION LIABILITY</b>	21	-	(720,000)	-	(720,000)
<b>NET ASSETS/(LIABILITIES)</b>		<u>672,011</u>	<u>(720,000)</u>	<u>710,596</u>	<u>(833,591)</u>

The notes form part of these financial statements

WAVE ACTIVE (REGISTERED NUMBER: 05621359)  
LIMITED

BALANCE SHEET - continued  
31 MARCH 2022

FUNDS:	20		
Unrestricted funds:		(47,988)	(2,026,297)
Restricted funds		<u>710,595</u>	<u>1,192,706</u>
TOTAL FUNDS:		<u>662,607</u>	<u>(833,591)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 5/12/22 and were signed on its behalf by:

  
Mr E. Kihlstrom

The notes form part of these financial statements

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	31.3.22 £	31.3.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	99,750	569,804
Net cash provided by operating activities		99,750	569,804
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(160,554)	(712,707)
Interest received		204	3,927
Net cash used in investing activities		(160,350)	(708,780)
<b>Cash flows from financing activities</b>			
New loans in year		650,000	500,000
Net cash provided by financing activities		650,000	500,000
<b>Change in cash and cash equivalents in the reporting period</b>		589,400	361,024
<b>Cash and cash equivalents at the beginning of the reporting period</b>		1,183,195	822,171
<b>Cash and cash equivalents at the end of the reporting period</b>		1,772,595	1,183,195

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2022**

**1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.3.22 £	31.3.21 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(168,802)	(125,955)
<b>Adjustments for:</b>		
Depreciation charges	152,292	90,308
Interest received	(204)	(3,927)
(Increase)/decrease in stocks	(20,397)	7,120
Decrease in debtors	5,751	106,944
(Decrease)/increase in creditors	(136,890)	295,314
Difference between pension charge and cash contributions	<u>268,000</u>	<u>200,000</u>
<b>Net cash provided by operations</b>	<u><u>99,750</u></u>	<u><u>569,804</u></u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.21 £	Cash flow £	At 31.3.22 £
<b>Net cash</b>			
Cash at bank and in hand	<u>1,183,195</u>	<u>589,400</u>	<u>1,772,595</u>
	<u>1,183,195</u>	<u>589,400</u>	<u>1,772,595</u>
<b>Debt</b>			
Debts falling due within 1 year	-	(118,591)	(118,591)
Debts falling due after 1 year	<u>(500,000)</u>	<u>(531,409)</u>	<u>(1,031,409)</u>
	<u>(500,000)</u>	<u>(650,000)</u>	<u>(1,150,000)</u>
<b>Total</b>	<u><u>683,195</u></u>	<u><u>(60,600)</u></u>	<u><u>622,595</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1. ACCOUNTING POLICIES**

**Statement of compliance**

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

**Basis of preparing the financial statements**

Under Financial Reporting Standard 102 (Retirement benefits) the deficit on the trust's pension scheme is included in the financial statements and the trust's reserves have therefore been reduced by the pension deficit creating net assets of £662,607 (2021: net liabilities of £833,591) at the year end. The management committee are satisfied that the Trust will be able to meet all of its obligations as and when they fall due.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charitable company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are the depreciation charges that are calculated with reference to the useful economic life of fixed assets and the valuation of the pension deficit in respect of the local government pension scheme.

**Incoming resources**

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

**Management Fee**

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

**Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Resources expended include attributable VAT which cannot be recovered.

**Government grants**

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

Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received totalled £1.88m and has been included in income (note 2).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

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

**Stocks**

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

**Taxation**

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

**Fund accounting**

**Unrestricted Funds**

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

**Restricted Funds**

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

**Leasing commitments**

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

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

**Pension costs and other post-retirement benefits**

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

**Going concern**

In the wake of the COVID-19 pandemic and the Russian invasion of Ukraine companies worldwide are experiencing adverse effects on the supply chain, availability of employee resources and rising inflation which put pressure of the cost of supplies to businesses and the economic health of the consumer.

Rising inflation, which is predicted to reach record highs in excess of 10%, have a significant impact on the charity's financial performance, with the most affected areas being:

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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

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

Wave Active Limited have reacted to the inflationary pressures by maintaining price increases below inflation to ease the pressure on members and casual users of the leisure facilities, and by applying increases to employee rates at the prevailing level of inflation. In addition, the purchasing process for energy procurement has been undertaken to smoothing price increases in the period to 31 March 2024 and beyond.

To counter the inflationary pressures Wave Active Limited will apply the cash reserves as held at 31 March 2022 which ensures that it can meet its debts as they fall due, including repayment of COVID-19 related loans which will provide sustainability in the medium term. Long term sustainability will be gained through the capital purchase plans which provides for ongoing investment in the Charity's facilities.

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

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

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

**2. DONATIONS AND LEGACIES**

	31.3.22	31.3.21
	£	£
Donations	5,000	-
Job Retention Scheme income	<u>206,053</u>	<u>1,878,882</u>
	<u>211,053</u>	<u>1,878,882</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**3. INVESTMENT INCOME**

	31.3.22	31.3.21
	£	£
Deposit account interest	<u>204</u>	<u>3,927</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	31.3.22	31.3.21
	Leisure Centre activity £	Total activities £
Leisure centre income	3,858,792	766,610
Management Fee	146,204	100,841
Joint Use Agreement Income	281,786	411,026
Grants	<u>681,599</u>	<u>1,664,856</u>
	<u>4,968,381</u>	<u>2,943,333</u>

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

	31.3.22	31.3.21
	£	£
Eastbourne Borough Council	462,000	462,000
Newhaven Fort Recovery	-	850,000
Tackling Inequalities Fund	5,000	5,000
PPE Equipment	-	9,960
NLRF (LDC)	14,599	181,542
NLRF (EBC)	-	55,100
Summer Events Programme	-	8,500
Capital Community Fund	-	141
Big Lottery	-	92,613
SIB Grant	<u>200,000</u>	<u>-</u>
	<u>681,599</u>	<u>1,664,856</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**5. RAISING FUNDS**

**Other trading activities**

	31.3.22	31.3.21
	£	£
Bad debts	<u>18,405</u>	<u>-</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 7) £	Totals £
Leisure Centre activity	<u>1,590,298</u>	<u>3,739,737</u>	<u>5,330,035</u>

**7. SUPPORT COSTS**

	Operational & Management £	Finance £	Governance costs £	Totals £
Leisure Centre activity	<u>3,472,829</u>	<u>256,408</u>	<u>10,500</u>	<u>3,739,737</u>

**8. NET INCOME/(EXPENDITURE)**

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

	31.3.22 £	31.3.21 £
Auditor's remuneration	10,500	15,030
Depreciation - owned assets	152,292	90,308
Hire of plant and machinery	<u>144,097</u>	<u>127,489</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**10. STAFF COSTS**

	31.3.22	31.3.21
	£	£
Wages and salaries	2,640,473	3,032,087
Social security costs	169,681	167,716
Other pension costs	<u>288,416</u>	<u>287,915</u>
	<u><u>3,098,570</u></u>	<u><u>3,487,718</u></u>

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

	31.3.22	31.3.21
Senior management	11	11
Recreation Sites	82	132
Administration	11	10
Casual Staff	<u>134</u>	<u>193</u>
	<u><u>238</u></u>	<u><u>346</u></u>

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

	31.3.22	31.3.21
£90,001 - £100,000	<u><u>1</u></u>	<u><u>1</u></u>

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

	2022	2021
Defined benefit schemes	1	1

The total amount of employee remuneration received by key management personnel is £250,331 (2021: £244,348). The Charitable Company considers its key management personnel comprises of the CEO, the Head of Finance and the Head of Commercial Development.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	FRS 102 Pension Adjustment Un-restricted £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	-	-	1,878,882	1,878,882
<b>Charitable activities</b>				
Leisure Centre activity	1,740,618	-	1,202,715	2,943,333
Investment income	<u>3,927</u>	<u>-</u>	<u>-</u>	<u>3,927</u>
<b>Total</b>	<u>1,744,545</u>	<u>-</u>	<u>3,081,597</u>	<u>4,826,142</u>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Leisure Centre activity	<u>2,732,231</u>	<u>200,000</u>	<u>2,019,866</u>	<u>4,952,097</u>
<b>NET INCOME/(EXPENDITURE)</b>	(987,686)	(200,000)	1,061,731	(125,955)
Transfers between funds	(91,689)	-	91,689	-
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>(1,188,000)</u>	<u>-</u>	<u>(1,188,000)</u>
<b>Net movement in funds</b>	(1,079,375)	(1,388,000)	1,153,420	(1,313,955)
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	<u>1,170,078</u>	<u>(729,000)</u>	<u>39,286</u>	<u>480,364</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>90,703</u>	<u>(2,117,000)</u>	<u>1,192,706</u>	<u>(833,591)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**12. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 April 2021	2,057,390	146,611	10,221
Additions	<u>97,892</u>	<u>29,628</u>	<u>11,471</u>
At 31 March 2022	<u>2,155,282</u>	<u>176,239</u>	<u>21,692</u>
<b>DEPRECIATION</b>			
At 1 April 2021	1,194,088	109,167	3,727
Charge for year	<u>102,694</u>	<u>8,714</u>	<u>1,958</u>
At 31 March 2022	<u>1,296,782</u>	<u>117,881</u>	<u>5,685</u>
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>858,500</u>	<u>58,358</u>	<u>16,007</u>
At 31 March 2021	<u>863,302</u>	<u>37,444</u>	<u>6,494</u>
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2021	8,580	165,917	2,388,719
Additions	<u>-</u>	<u>21,563</u>	<u>160,554</u>
At 31 March 2022	<u>8,580</u>	<u>187,480</u>	<u>2,549,273</u>
<b>DEPRECIATION</b>			
At 1 April 2021	7,150	70,583	1,384,715
Charge for year	<u>1,430</u>	<u>37,496</u>	<u>152,292</u>
At 31 March 2022	<u>8,580</u>	<u>108,079</u>	<u>1,537,007</u>
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>-</u>	<u>79,401</u>	<u>1,012,266</u>
At 31 March 2021	<u>1,430</u>	<u>95,334</u>	<u>1,004,004</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>MARKET VALUE</b>	
At 1 April 2021 and 31 March 2022	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 March 2022	<u>1</u>
At 31 March 2021	<u>1</u>

There were no investment assets outside the UK.

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

**WLT Solutions Limited**

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

Nature of business: Dormant

	%		
Class of share:	holding		
Ordinary	100		
		31.3.22	31.3.21
		£	£
Aggregate capital and reserves		1	1

**14. STOCKS**

	31.3.22	31.3.21
	£	£
Stocks	<u>21,443</u>	<u>1,046</u>

**15. DEBTORS**

	31.3.22	31.3.21
	£	£
Amounts falling due within one year:		
Trade debtors	303,417	134,707
Amounts owed by group undertakings	750	750
Other debtors	37,413	8,455
Prepayments and accrued income	<u>223,312</u>	<u>426,731</u>
	<u>564,892</u>	<u>570,643</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**15. DEBTORS - continued**

	31.3.22	31.3.21
	£	£
Amounts falling due after more than one year:		
Other debtors	<u>58,050</u>	<u>58,050</u>
Aggregate amounts	<u>622,942</u>	<u>628,693</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.22	31.3.21
	£	£
Other loans (see note 18)	118,591	-
Trade creditors	332,186	498,982
Social security and other taxes	76,495	97,042
Other creditors	89,723	133,984
Accruals and deferred income	<u>398,236</u>	<u>303,522</u>
	<u>1,015,231</u>	<u>1,033,530</u>

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

	31.3.22	31.3.21
	£	£
Other loans (see note 18)	<u>1,031,409</u>	<u>500,000</u>

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

In the year the Charitable Company secured a Coronavirus Business Interruption Loan of £650,000 repayable over 5 years. Interest is charged at 7.0%.  
Social Investment Business FM Limited hold a fixed charge and a floating charge covering all the property or undertaking of the Charitable Company.

**18. LOANS**

An analysis of the maturity of loans is given below:

	31.3.22	31.3.21
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>118,591</u>	<u>-</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>169,416</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>361,993</u>	<u>500,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**18. LOANS - continued**

	31.3.22 £	31.3.21 £
Amounts falling due in more than five years:		
Repayable otherwise than by instalments:		
Other loans more 5yrs non-inst	<u>500,000</u>	<u>-</u>

**19. LEASING AGREEMENTS**

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

	31.3.22 £	31.3.21 £
Within one year	115,085	126,332
Between one and five years	<u>8,016</u>	<u>109,502</u>
	<u>123,101</u>	<u>235,834</u>

**20. MOVEMENT IN FUNDS**

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



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**20. MOVEMENT IN FUNDS - continued**

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

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
<b>Unrestricted funds</b>				
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)
<b>Restricted funds</b>				
Ancient History Centre	39,286	(7,857)	-	31,429
Big Lottery	-	92,613	-	92,613
Newhaven Fort Recovery	-	726,833	91,689	818,522
Tackling Inequalities Fund	-	5,000	-	5,000
Summer Events Programme	-	8,500	-	8,500
National Leisure Recoverability Fund	<u>-</u>	<u>236,642</u>	<u>-</u>	<u>236,642</u>
	<u>39,286</u>	<u>1,061,731</u>	<u>91,689</u>	<u>1,192,706</u>
<b>TOTAL FUNDS</b>	<u><u>480,364</u></u>	<u><u>(1,313,955)</u></u>	<u><u>-</u></u>	<u><u>(833,591)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**20. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
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)
<b>Restricted funds</b>				
Ancient History Centre	-	(7,857)	-	(7,857)
Big Lottery	92,613	-	-	92,613
Newhaven Fort Recovery	850,000	(123,167)	-	726,833
Job Retention Scheme	1,878,882	(1,878,882)	-	-
Tackling Inequalities Fund	5,000	-	-	5,000
Summer Events Programme	8,500	-	-	8,500
Adult Social Care Infection Control Fund	9,960	(9,960)	-	-
National Leisure Recoverability Fund	236,642	-	-	236,642
	3,081,597	(2,019,866)	-	1,061,731
<b>TOTAL FUNDS</b>	<u>4,826,142</u>	<u>(4,952,097)</u>	<u>(1,188,000)</u>	<u>(1,313,955)</u>

**Ancient History Centre**

The Charity has received funding of £55,000 via East Sussex County Council to transform a relatively tired existing exhibition in one of the casemates, into a new exhibition/learning resource. This space now tells the story of how Newhaven and surrounding areas were inhabited during pre-roman times, and offers events programs to the public. The full funding of £55,000 has been capitalised in 2017/18 and written down over the remaining period of the lease.

**Heritage Cultural Recovery Fund**

Awarded by the Department of Digital, Cultural, Media and Sport, administered by the Heritage Lottery Fund. A total of £850,000 was awarded specifically for Newhaven Fort to enable it to relaunch in spring 2021. Overall purpose of the grant was to create an on-site visitor experience which complies with Government COVID-19 safe working protocols. Exhibition spaces were reviewed, adapted and renewed along with ticketing, tea room and shop to enable social distancing. The use of 'virtual' and 'digital' technology was applied to improve the visitor experience both off and on site. The grant was deemed to be of a restrictive capital nature with £766k being treated as Fixed Asset additions with the majority of the spend in 20/21 relating to physical building works and interactive audio visual displays. During the year ended 31 March 2022, there was expenditure of £28,532 (2021: £123,167) leaving a restricted fund balance of £682,626 (2021: £818,522).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**20. MOVEMENT IN FUNDS - continued**

**Big Lottery**

The Charity has been awarded a grant of £264,603 from the Big Lottery Reaching Communities Fund towards staffing, administration and accommodation overheads for the "Newhaven Live Life Project" to be run at Shakespeare Hall, Newhaven. The project involves increasing physical health and wellbeing, participating in healthy eating and improving the employability of young people in the Newhaven area over a five year period. The five year project commenced in September 2015 and income and expenditure included in the 2020/21 accounts amounted to income of £nil (2021: £92,613) and expenditure of £92,613 (2021: £nil), this has left a restricted fund balance of £nil at 31 March 2022.

**Tackling Inequalities Fund**

Grant was awarded in the year ended 31 March 2021. During the year ended 31 March 2022 income totalled £5,000 (2021: £5,000) and expenditure totalled £10,000 leaving a nil balance in the fund at the 31 March 2022.

**Summer Events Programme**

Grant was awarded in the year ended 31 March 2021. During the year ended 31 March 2022 income totalled £nil (2021: £5,000) and expenditure totalled £5,000 leaving a nil balance in the fund at the 31 March 2022.

**National Leisure Recovery Fund**

The fund was made available to support the difference between income and expenditure for the period 1 December 2020 to 31 March 2021 that enables leisure facilities to reopen, or partially reopen. During the year ended 31 March 2022, £14,599 (2021: £236,642) was received and was used against reopening related spend in the year ended 31 March 2022 of £251,241, as allowed by an amendment to the grant conditions when a further national lockdown was introduced.

**Transfers between funds**

A transfer of £107,365 is shown from restricted funds to unrestricted funds during the year. The transfer relates to grant income that was incorrectly recognised within the 31 March 2021 financial statements. The error was immaterial and relates to the Newhaven Fort Recovery project.

**21. EMPLOYEE BENEFIT OBLIGATIONS**

The company operates a defined benefit scheme in the UK. The pension cost and provision for the year are based on the advice of a professionally qualified actuary the most recent full actuarial valuation is dated 31 March 2019. A roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pension liability at 31 March 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**21. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Current service cost	218,000	161,000
Net interest from net defined benefit asset/liability	44,000	17,000
Past service cost	<u>-</u>	<u>25,000</u>
	<u>262,000</u>	<u>203,000</u>
 Actual return on plan assets	 <u>204,000</u>	 <u>191,000</u>

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

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Opening defined benefit obligation	12,133,000	9,062,000
Current service cost	218,000	161,000
Past service cost	-	25,000
Contributions by scheme participants	40,000	37,000
Interest cost	248,000	208,000
Benefits paid	(121,000)	(127,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	(147,000)
Actuarial (gains)/losses from changes in financial assumptions	(744,000)	3,020,000
Oblig other remeasurement	<u>25,000</u>	<u>(106,000)</u>
	<u>11,799,000</u>	<u>12,133,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**21. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Opening fair value of scheme assets	10,016,000	8,333,000
Contributions by employer	-	13,000
Contributions by scheme participants	40,000	37,000
Expected return	204,000	191,000
Benefits paid	(121,000)	(127,000)
Assets no descr	(6,000)	(10,000)
Return on plan assets (excluding interest income)	946,000	1,579,000
	<u>11,079,000</u>	<u>10,016,000</u>

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

	Defined benefit pension plans	
	31.3.22	31.3.21
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	147,000
Actuarial (gains)/losses from changes in financial assumptions	744,000	(3,020,000)
Oblig other remeasurement	(25,000)	106,000
Return on plan assets (excluding interest income)	946,000	1,579,000
	<u>1,665,000</u>	<u>(1,188,000)</u>

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

	Defined benefit pension plans	
	31.3.22	31.3.21
Equities	74%	75%
Bonds	16%	15%
Property	8%	8%
Cash	2%	2%
	<u>100%</u>	<u>100%</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**21. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	31.3.22	31.3.21
Discount rate	2.60%	2.05%
Future salary increases	3.15%	2.85%
Future pension increases	3.15%	2.85%

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

	2022	2021	2020	2019	2018
<b>Defined benefit pension plans</b>					
Defined benefit obligation	(11,799,000)	(12,133,000)	(9,062,000)	(11,146,000)	(9,659,000)
Fair value of scheme assets	11,079,000	10,016,000	8,333,000	9,161,000	8,532,000
(Deficit)surplus	(720,000)	(2,117,000)	(729,000)	(1,985,000)	(1,127,000)

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

**Sensitivity Analysis**

Changes in assumptions at 31 March 2022	Approx % Increase to Employer Liability	Approximate Monetary Amount (£000)
0.1% decrease in Real Discount Rate	2.56%	302,000
0.1% increase in Salary Increase Rate	0.13%	15,000
0.1% increase in the Pension Increase Rate	2.36%	278,000

**22. RELATED PARTY DISCLOSURES**

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

A Trustee, Mike Price, had a family connection with an employee at Wave Active Limited. The employee left employment in 2020/21 and therefore there is no disclosure for 2021/22:

	31.3.22	31.3.21
	£	£
J Price Salary	-	18,576

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**23. ULTIMATE CONTROLLING PARTY**

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