

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

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

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FOR THE YEAR ENDED 31 MARCH 2023

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

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

OBJECTIVES AND ACTIVITIES

Objects of the Charity

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

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

REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES

Public benefit

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

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

The Charity provides leisure services to the residents primarily, but not restricted to the Lewes District and Eastbourne Borough areas of East Sussex.

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

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

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

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

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STRATEGIC REPORT

Achievement and performance

Charitable activities

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

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

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

Staffing

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

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

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

Finance

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

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

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

Income Assumption

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

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

Income Performance Achieved

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

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

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Figure 1 - continued

Income Assumption

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

Income Performance Achieved

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

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

Recovery Timeline

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

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

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

1. Re-build

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

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

2. Funding and Investment

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

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

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

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

Site	Project	Purpose	2021 Update
Peacehaven Leisure Centre	Create new gym, dance studio and health hub	Revenue Generation Customer Satisfaction	In Progress
Seahaven Leisure Centre	Health Hub development incorporating a complete refurbishment of the current centre, extension and introduction of new facilities and activities aligned to the new strategy, empowering independent health and wellbeing for those with health conditions.	Revenue Generation Customer Satisfaction	In Progress
Newhaven Fort	Improve visitor experience through a series of projects linked to: <ul style="list-style-type: none"> • Health, Safety and Environment • Visitor Attractions • Restoration 	Increase Visitor Numbers Revenue Generation Improve Visitor Experience	Towns Fund Project in Progress
Downs Leisure Centre	Health Hub	To support the new Strategy, empowering independent health and wellbeing for those with health conditions.	In Progress

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

1. Community Health

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

A new programme of activities launched in May 2023 including:

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

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

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

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

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

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

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

Creating a new Wave of Active Health

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

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

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

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

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

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

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

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

Structuring for success

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

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

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

Fundraising activities

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

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

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

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STRATEGIC REPORT

Financial review

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

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

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

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

Investment powers

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

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

Borrowing powers

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

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STRATEGIC REPORT

Financial review

Reserves policy

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

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

- Insurance
- IT
- Pension Liability
- Development Fund

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

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

Pension and Tax Reserve

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

Significant post year end events

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

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

REPORT OF THE TRUSTEES
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Appointment of Trustees

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

The Board of Trustees shall consist of:

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

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

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

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

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

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

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

Trustee Induction and Training

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

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

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

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

REPORT OF THE TRUSTEES
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STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Organisation

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

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

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

Figure 2

Serving Board

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

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

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STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

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

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

Figure 2

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

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

Figure 3: Composition and Attendances at Board Meetings:

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

Board and Trustee Evaluation

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

Related Parties

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

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

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

Pay Policy for Senior Staff

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

Disabled Employees

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

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

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Employee Involvement

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

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

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

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

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

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

Some key principles of effective consultation that we follow:

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

Risk or Uncertainties Management

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

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

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

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

Figure 5: Identified Risks and Management Procedures

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

WAVE ACTIVE LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05621359 (England and Wales)

Registered Charity number

1113486

Registered office

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

Trustees

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

Company Secretary

Ms D Witts

Auditors

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

Bankers

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

Solicitors

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

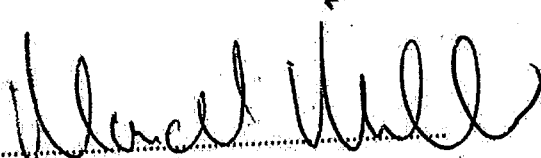
WAVE ACTIVE LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

AUDITORS

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

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


.....
Trustee

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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



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

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

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

				31.3.23	31.3.22
		Unrestricted funds	FRS 102 Pension Adjustment Un-restricted	Restricted funds	Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	14,692	-	-	14,692
Charitable activities	4				
Leisure Centre activity		6,291,952	-	9,840	6,301,792
Investment income	3	8,051	-	-	8,051
Total		<u>6,314,695</u>	<u>-</u>	<u>9,840</u>	<u>6,324,535</u>
EXPENDITURE ON Charitable activities	5				
Leisure Centre activity		<u>5,897,404</u>	<u>134,000</u>	<u>97,761</u>	<u>6,129,165</u>
NET INCOME/(EXPENDITURE)		417,291	(134,000)	(87,921)	195,370
Other recognised gains/(losses)					
Actuarial gains on defined benefit schemes		<u>-</u>	<u>3,425,000</u>	<u>-</u>	<u>3,425,000</u>
Net movement in funds		417,291	3,291,000	(87,921)	3,620,370
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>672,011</u>	<u>(720,000)</u>	<u>710,596</u>	<u>662,607</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,089,302</u>	<u>2,571,000</u>	<u>622,675</u>	<u>4,282,977</u>

The notes form part of these financial statements

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

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

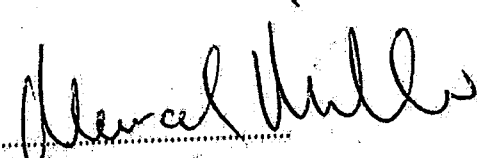
The notes form part of these financial statements

WAVE ACTIVE LIMITED (REGISTERED NUMBER: 05621359)

BALANCE SHEET - continued
31 MARCH 2023

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

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


Trustee

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

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

The notes form part of these financial statements

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

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

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

2. ANALYSIS OF CHANGES IN NET FUNDS

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

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

1. ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparing the financial statements

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

Critical accounting judgements and key sources of estimation uncertainty

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

Incoming resources

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

Management Fee

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

Resources expended

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

Government grants

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

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

Stocks

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

Taxation

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

Fund accounting

Unrestricted Funds

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

Restricted Funds

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

Leasing commitments

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

Pension costs and other post-retirement benefits

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

Going concern

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

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

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

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

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

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

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

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

2. DONATIONS AND LEGACIES

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

3. INVESTMENT INCOME

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

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

4. INCOME FROM CHARITABLE ACTIVITIES

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

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

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

5. CHARITABLE ACTIVITIES COSTS

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

6. SUPPORT COSTS

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

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

7. NET INCOME/(EXPENDITURE)

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

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

8. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

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

9. STAFF COSTS

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

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

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

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

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

9. STAFF COSTS - continued

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

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

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

	2023	2022
Defined benefit schemes	1	1

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

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

11. TANGIBLE FIXED ASSETS

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

WAVE ACTIVE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2023**11. TANGIBLE FIXED ASSETS - continued**

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

12. FIXED ASSET INVESTMENTS

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

There were no investment assets outside the UK.

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

Wave Active Health Limited (formerly WLT Solutions Limited)

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

Nature of business: Dormant

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

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

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

14. DEBTORS

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

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

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

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

17. LOANS

An analysis of the maturity of loans is given below:

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

18. LEASING AGREEMENTS

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

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

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

19. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	672,011	417,291	1,089,302
FRS 102 Pension Adjustment			
Un-restricted	<u>(720,000)</u>	<u>3,291,000</u>	<u>2,571,000</u>
	(47,989)	3,708,291	3,660,302
Restricted funds			
Ancient History Centre	27,968	(3,460)	24,508
Newhaven Fort Recovery	<u>682,628</u>	<u>(84,461)</u>	<u>598,165</u>
	<u>710,596</u>	<u>(87,921)</u>	<u>622,675</u>
TOTAL FUNDS	<u>662,607</u>	<u>3,620,370</u>	<u>4,282,977</u>

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

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

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

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

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

19. MOVEMENT IN FUNDS - continued

Ancient History Centre

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

Heritage Cultural Recovery Fund

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

Adult Social Care Infection Control Fund

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

20. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit scheme in the UK. The pension cost and provision for the year are based on the advice of a professionally qualified actuary the most recent full actuarial valuation is dated 31 March 2022. A roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

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

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

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

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

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

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

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

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

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

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

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

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

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

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

	2023	2022	2021	2020	2019
Defined benefit pension plans					
Defined benefit obligation	(7,970,000)	(11,799,000)	(12,133,000)	(9,062,000)	(11,146,000)
Fair value of scheme assets	10,541,000	11,079,000	10,016,000	8,333,000	9,161,000
(Deficit)surplus	2,571,000	(720,000)	(2,117,000)	(729,000)	(1,985,000)

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

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

Sensitivity Analysis

Changes in assumptions at 31 March 2023	Approx % Increase to Employer Liability	Approximate Monetary Amount (£000)
0.1% decrease in Real Discount Rate	1.89%	151,000
0.1% increase in Salary Increase Rate	0.11%	9,000
0.1% increase in the Pension Increase Rate	1.77%	141,000

21. CAPITAL COMMITMENTS

	31.3.23	31.3.22
	£	£
Contracted for but not provided for in the financial statements	16,647	-

As at 31 March 2023 there was capital expenditure authorised by the senior leadership team but not contracted for of £16,647 (2022: £Nil).

22. RELATED PARTY DISCLOSURES

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

A member of the Key Management Personnel, Neil Harrison, had a family connection with an employee at Wave Active Limited. The employee commenced employment in 2022/23:

	31.3.23	31.3.22
	£	£
S Harrison Salary	2,366	-

23. ULTIMATE CONTROLLING PARTY

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