SOUTH DOWNS LEISURE

England & Wales · Charity number 1163564

Details

Status	Registered
Legal form	Charitable company
Company number	09204269
Registered	2015-09-14
Register	View on the Charity Commission register

Contact

Address	Field Place The Boulevard Worthing BN13 1NP
Phone	01903905050
Email	DEBRA.SCHNEIDER@SOUTHDOWNSLEISURE.CO.UK
Website	http://www.southdownsleisure.co.uk/

Activities

Objects: THE COMPANY HAS BEEN ESTABLISHED FOR PUBLIC BENEFIT TO:1. TO PROVIDE OR ASSIST IN THE PROVISION OF BOTH INDOOR AND OUTDOOR FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL CIRCUMSTANCES OR TO THE PUBLIC AT LARGE WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE; AND/OR2. TO PROMOTE COMMUNITY PARTICIPATION IN HEALTHY RECREATIONAL ACTIVITIES; AND/OR3. TO PROVIDE OR ASSIST IN THE PROVISION OF COMMUNITY FACILITIES TO BE AVAILABLE TO ALL SECTIONS OF THE COMMUNITY WITHOUT DISTINCTION, INCLUDING USE FOR MEETINGS, LECTURES AND CLASSES AND/OR OTHER FORMS OF RECREATION AND LEISURE TIME OCCUPATION WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR ALL THOSE WHO USE THE FACILITIES; AND/OR4. TO PROMOTE THE EDUCATION OF THE PUBLIC THROUGH THE PROVISION OF FACILITIES FOR PERFORMING ARTS; AND/OR5. SUCH OTHER CHARITABLE PURPOSES AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION MAY DETERMINE.

Activities: TO PROVIDE OR ASSIST IN THE PROVISION OF BOTH INDOOR AND OUTDOOR FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH BY REASON OF THEIR YOUTH, AGE,

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INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL CIRCUMSTANCES OR TO THE PUBLIC AT LARGE WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Recreation
- **Who:** The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,500,741	£10,695,198	£3,261,885	486
2024-03-31	£10,547,027	£9,808,330	£2,568,312	404
2023-03-31	£8,269,610	£8,035,425	£1,273,502	366
2022-03-31	£6,840,450	£7,211,437	£1,593,438	318
2021-03-31	£4,871,477	£4,191,692	£1,603,857	295

Trustees

Name	Role	Appointed
Adrienne Lowe		2024-10-28
Andrew Fleetwood		2019-07-01
Dr Amanda Turner		2022-04-28
Dr James Spencer Marshall		2023-02-01
GERARD NOEL JAMES CRONIN		2024-04-04
Kevin Boram		2025-01-06
Nicholas James Patrick Beverley-Hedger		2025-01-07
Paula Newton		2020-08-24
Stephen Michael Redman		2024-03-18

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SOUTH DOWNS LEISURE

England & Wales - Charity number 1163564

Accounts

REGISTERED COMPANY NUMBER: 9204269 (England and Wales)
REGISTERED CHARITY NUMBER: 1163564

REPORT OF THE TRUSTEES AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 FOR SOUTH DOWNS LEISURE GROUP (A COMPANY LIMITED BY GUARANTEE)

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Chair's statement

I am delighted to present the financial and strategic overview for South Downs Leisure for the year 2024–2025, a year marked by continued growth, innovation, and deepening impact across our communities.

This year has not been without its challenges, but our focus has remained resolute, to improve lives through health, wellbeing, and sustainability. As we expand our reach, refine our services, and strengthen our partnerships, we remain guided by our commitment to inclusivity, environmental responsibility, and the delivery of outstanding community leisure services.

Community Impact and Engagement

Our facilities welcomed over 1.5 million visits this year, an extraordinary achievement that reflects the value and relevance of our services in the lives of our residents. Whether through sport, swimming, social engagement or simply offering a place to connect, our work continues to support the wellbeing of thousands.

A key highlight remains our free three-month membership scheme for individuals most in need. Now in its third year, this initiative has supported over 1,200 people, helping improve physical and mental health, reduce isolation, and support reintegration into community life.

We are also proud of our role in teaching vital life skills. With over 3,000 children enrolled in our swimming lessons, and more to come following the addition of Hampton Pool, our programmes are building confidence, safety, and a love of the water from an early age.

Performance Against Business Plan Targets

We are pleased to report strong performance across key objectives:

Customer Experience: The return of Mystery Visits through Proinsight in 2025 brought exceptional results, with several scores exceeding 90%, well above our 75% target. Our in-house customer service training, delivered to over 50 staff, has also elevated our service standards across the organisation.

Finance: The successful insourcing of payroll in May 2025 and our shift to paperless systems for payslips and timesheets reflect our drive for efficiency and sustainability. We are especially proud to report a 6% surplus on turnover, delivering strong financial performance across all contracts.

Staff Development: Staff training continues to evolve, including the launch of our Carbon Literacy course and a refreshed corporate induction programme, which enhances collaboration and cohesion across all sites and teams.

Health & Safety: We exceeded our 85% audit target, achieving a remarkable 92% average in Health & Safety audits across our facilities in 2025.

IT and Innovation: While our website overhaul has been rescheduled for Autumn 2025, we continue to lead on digital innovation. Our collaboration with Abbeycroft Leisure and Leisure Labs to introduce AI into our app, promises to improve member retention and potentially create new revenue opportunities.

Sales & Fitness: Membership numbers have exceeded targets, surpassing 16,000 FIT4 members and 1,150 Sea Lanes members, with an impressive average yield of £37.24 in our FIT4 membership. Extending our junior membership category to include 18–24 year-olds as "young adults" has driven growth and engagement.

Sustainability: Our commitment to "People, Planet, Profit" continues to drive tangible outcomes. We were ranked 3rd and 5th nationally for recycling old swimming equipment through the Leisure Loop initiative. New solar PV installations, battery storage at Wadurs, and bike-to-work incentives are helping shift our carbon trajectory. We are proud to report that Wadurs Swimming Pool ran on net-zero electricity for several days this summer.

Health & Wellbeing: Our new Health and Wellbeing Plan is beginning to take shape through partnerships and cross-sector collaboration. We aim to align this plan with the NHS 10-Year Strategy, contributing meaningfully to preventative health.

Enterprise and Facility Development

South Downs Leisure Enterprises Ltd. has seen a strong year, especially in corporate hospitality and weddings, with further opportunities under review, including potential future accommodation options.

Since opening in June 2023 Sea Lanes Brighton, has welcomed over 200,000 visitors. It has been a fantastic contributor not just financially, but also through supporting national events and catalysing wider pool development conversations.

We have also continued to reinvest in our assets, with over £1.5 million spent on capital and maintenance over the last two years, enhancing gym equipment, refurbishing changing rooms, and improving the overall experience for our customers.

Future Outlook

Looking ahead, we plan to bring Hampton Pool into the South Downs Leisure model and will be mobilising Hilsea Lido in the Autumn of 2025.

We are still looking at significant redevelopment of gym, group exercise, and soft play spaces at some of our facilities. These investments are crucial to our continued growth and to meeting the evolving needs of our community.

We are also progressing our Carbon Net Zero strategy, targeting several dry-side sites to achieve this milestone by 2030. This will require substantial investment but will also protect us from long-term utility volatility and establish South Downs Leisure as a true sector leader in sustainability.

Our newly launched five-year strategy places Health & Wellbeing at its core. By focusing on prevention and public health partnerships, we aim to make a lasting difference in the lives of those we serve.

In conclusion, 2024–2025 has been a year of outstanding progress for South Downs Leisure, marked by resilience, creativity, and a deep-rooted commitment to community. I would like to thank our dedicated staff, volunteers, partners, and the board of trustees for their continued passion and service.

We remain ambitious and optimistic about the future, confident in our purpose, and excited for the journey ahead.

Paula Newton
Chair of Trustees
South Downs Leisure

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees, who are also Directors of the Charitable Company for the purposes of the Companies Act 2006, present their report with the financial statement for the year ending 31 March 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

REFERENCE & ADMINISTRATIVE DETAILS

Name of charity
South Downs Leisure

Name of subsidiary
South Downs Leisure Enterprises Ltd

Charity and company registration
South Downs Leisure 09204269
South Downs Leisure Enterprises Ltd 09261501
Charity number 1163564

Registered office
Field Place Manor House, The Boulevard, Worthing, West Sussex BN13 1NP
Telephone and website: 01903 905050, www.southdownsleisure.co.uk

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

Bank
Lloyds Banking Group
City Office
PO Box 72, Bailey Drive, Gillingham Business Park, Gillingham ME8 0L

Solicitors
Joanna Bussell
Winckworth Sherwood LLP
Minerva House, 5 Montague Close, London SE1 9BB

Nick Tompkin
Bennet Griffin LLP
1 Liverpool Gardens, Worthing, West Sussex BN11 1TF

Chief Executive Officer
Duncan Anderson

Trustees	Appointed	Resigned
P Newton (Chair)	24 August 2020	
J Marshall (Vice Chair)	1 February 2023	
A Fleetwood	1 July 2019	
P Greenwood-Pearsons	22 October 2021	26 November 2024
A Turner	28 April 2022	
J Finch	3 February 2023	
R Garner	1 August 2023	
H Schan	1 August 2023	5 June 2024
S Redman	18 March 2024	
G Cronin	4 April 2024	
A Lowe	30 October 2024	
K Boram	6 January 2025	
N Beverley-Hedger	7 January 2025	

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

South Downs Leisure is a charitable company limited by guarantee constituted on 4 September 2014 and governed by articles and memorandum of association.

Charitable status was applied following the incorporation of the Trust and was awarded shortly after the Trust commenced trading on 1 May 2015. The trustees are also directors of the charity for the purposes of the Companies Act.

The charity has a wholly owned trading subsidiary, South Downs Leisure Enterprises Ltd which is used to support the activities of the Trust.

Recruitment and Appointment of Trustees
Unless otherwise determined by the company, the Board shall consist of at least three and not more than eleven individuals comprised as follows:

- Up to 8 Community Trustees
- Up to 2 Local Authority Trustees
- Up to 1 Employee Trustee

Community Trustees will always be a majority on the Board.

New community Trustees are recruited in accordance with the Board's agreement and with our Articles of Association. We will always look to complement and strengthen the skills and experience of the Trustee team on the Board. Community Trustees are appointed for three years with membership being reviewed annually.

Recruitment of the employee Trustee was initially by appointment by the senior management team in accordance with the Articles of Association but from 2016 this was changed to election by employees as agreed by the Board.

The Local Authority confirms its nominations and appointments as and when Local Authority vacancies arise.

Training of Trustees
All new Trustees receive an induction from the CEO and meet the Chair. During 2025 we conducted a team building session with the trustees and Exec team. A further training session for all our trustees on governance and scrutiny is planned for later this year, which will also involve the Exec team. We also held a strategy planning away day.

Organisational Structure
The current Board consists of eight community Trustees providing a range of experience and professional expertise.

Paula Newton is Chair and James Marshall is vice Chair.

We have three subgroups which meet throughout the year to support the Board. Further to reorganisation, subgroups are as follows:
Finance
Andrew Fleetwood, James Marshall, Nicholas Beverley-Hedger, Kevin Boram

People and Remuneration
Andrew Fleetwood, Gerard Cronin, Jennifer Finch

Governance
Paula Newton, Stephen Redman, Rita Garner, Amanda Turner

Enterprise Directors
Paula Newton, Duncan Anderson

We held the following meetings for the period ended 31 March 2025:

- 5 x Board meetings
- 4 x Finance meetings
- 2 x People and Remuneration meetings
- 2 x Governance meetings
- 4 x Enterprise meetings

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

South Downs Leisure Trustees
Paula Newton (Chair)
James Marshall (Vice Chair)
Andrew Fleetwood
Amanda Turner
Jennifer Finch (Staff Trustee)
Stephen Redman
Gerard Cronin
Rita Garner
Adrienne Lowe
Kevin Boram
Nicholas Beverley-Hedger

To facilitate the effective operation of the Charity the Board has delegated the responsibility of administering the Charity to a Senior Management Team:

- Chief Executive Officer
- Finance Director
- Operations Director
- Business Development Director
- Human Resources Executive

Risk Management
The Trustees have a duty to identify and review the risks to which the charity is exposed and ensure appropriate controls are in place. A risk report is part of each Board agenda.

The top risks have been identified as:

- Membership no longer able to grow due to lack of space
- Cybercrime/fraud
- External budget pressures causing SDL to forecast a deficit
- Losing the Adur contract
- Losing a member of the Exec team, causing disruption or loss of confidence with our partners

Steps have been taken to reduce or mitigate the above risks.

The following initiatives have been implemented to reduce risk and improve risk management:

- A risk report at each Board meeting.
- A SWOT analysis conducted annually to identify weaknesses and threats.
- A calendar of audits which include Health & Safety, Financial and Quality audits.
- Sales and Generic mystery visits and Net Promoter Score surveys to ensure we are delivering the service to expectation.
- Affiliation to the Quest industry accreditation scheme to maintain high standards across all sections of our business: The current position of each site is as below.

We have completed 3 Quest Directional Reviews this year at Lancing, Southwick and Wadurs. We are working through action points raised.

Health and Safety
South Downs Leisure is committed to embedding a culture of proactive health and safety management throughout the organisation. This is included in all staff and 1-1 meetings, and we have a dedicated Group Health and Safety Manager who works proactively across the sites to ensure the best standards are maintained. They have responsibility for Health and Safety compliance across the ten sites working closely with the site teams.

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

The Operations Director oversees regular cross-site meetings with the Operations Managers, and we aim for each site to have an appointed NEBOSH (The National Examination Board in Occupational Safety and Health) representative in this area supported by IOSH (Institution of Occupational Safety and Health) trained duty staff. We have trained a further 2 members of staff in NEBOSH & IOSH this year to further develop skills across the sites. We also have external expert advice through our contract with Right Directions who provide regular updates on legislation and compliance changes as well as providing an annual Health & Safety Audit of each site. This year the average score across the sites was 92%, an increase of 2%.

Accident and incident reporting

South Downs Leisure retains the services of Right Directions and the Data Hub digital platform. Right directions are a recognised industry leader in the Health and Safety field and have provided excellent support to the group H&S manager and site teams. The site managers and section heads are provided with up-to-date information and notifications of changes in legislation, together with the calendar of audits, advice, and support in respect of litigation claims.

The reporting platform provides update data for managers to review and action. In the past year we have had one RIDDOR reportable accident. All accidents and near misses are reviewed by the group H&S manager with the site team and also in ops meetings. Any actions are recorded and checked in the sites service improvement plans. The accident to usage ratio for April 2024 – March 2025 was 0.02%, this is compared to the national average of 0.11%.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

Objectives and Activities
The objectives of the charitable company are:

- To provide or assist in the provision of both outdoor and indoor facilities in the interest of social welfare for recreation or other leisure time occupation of individuals who have need of such reason by their youth, age, infirmity or disability, financial hardship, or social circumstances or to the public at large with the object of improving their conditions of life, and/or
- To promote community participation in healthy recreational activities, and/or
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures, and classes and/or other forms of recreation and leisure time occupation with the object of improving the condition of life for all those who use the facilities, and/or
- To promote the education of the public through the provision of facilities for the provision of performing arts, and/or such other charitable purposes as the Trustees in their absolute discretion may determine.

Public Benefit
The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. We have referred to this guidance when reviewing our business plan and planning new activities for the future.

Our Vision and Mission
The Trust established a Vision, Mission Statement and Values outlined below, with our Vision reflecting the UK Active National agenda.

OUR VISION
More People, More Active, More Often.

MISSION
To deliver an inclusive range of health and wellbeing initiatives whilst providing a clean, safe, and happy leisure experience.

OUR VALUES
Integrity
We will be open, honest, and friendly when communicating with customers and partners, treating everyone with respect.

Equality, diversity, and inclusion
We aim to ensure that the opportunities the Trust provides are accessible, are available on a non-discriminatory basis and provide maximum health and wellbeing benefits for all.

Continuous Improvement
We will strive to make the experience of users and visitors better by continually reviewing our activities and procedures.

Partnership working
We will develop and sustain strong and effective partnerships with local and national organisations in pursuit of our vision: More People, More Active, More Often.

Innovation
We will explore the introduction of new products and services, driven by technology, industry research and best practice.

Staffing
We will ensure that all our staff are professionally qualified and/or appropriately trained to deliver the service required and respond effectively and quickly to customer enquiries.

OBJECTIVES AND ACTIVITIES – continued

Environmental awareness
We will endeavour to be an environmentally conscious organisation and will continually review our services to ensure best practice.

A Strong Board
Selection and recruitment of the Board was planned with a clear vision to provide a good range of interested, articulate and passionate volunteers with a strong mix of experience, age, and gender. The Board has developed a deep understanding of the aims of the Trust and provide strong, but challenging, support and guidance.

Executive Management Team
The Exec Management Team is led by the Chief Executive and includes, Finance Director, Operations Director, Business Development Director, Group Facility Manager Worthing, Group Facility Manager Adur, Management Accountant and the HR Executive. Below this we have a Senior Management team.

A number of subgroups were held throughout the year to ensure the delivery of the business plan.

Remuneration policy for key management personnel
A remuneration committee is in place for future review of remuneration for key management personnel. Historically all changes in grade have been passed by the HR/People and Governance subgroup which has now been replaced by the People and Remuneration subgroup. Cost of living increases are passed by the Board.

Training

Our ongoing investment in people was strengthened this year by appointing a Training Operations Business Partner. This post now manages the seven new staff training courses we developed in collaboration with Ian Hitt. They have also transformed our onboarding process to support new recruits more effectively.

For further details on our community initiatives and outreach programmes, please refer to our 2025 South Downs Leisure Social Impact Report.

Workforce Make Up
The total workforce at the time of TUPE was 367 employees. The total workforce number does fluctuate monthly by approx. 25 employees due to two factors; seasonal variations around busy/school holiday periods and taking off the casual employees who have not worked within the organisation for the last three months which is an Inland Revenue requirement.

Our Board, Exec and SMT teams consist of 16 males and 22 females from a good mix of age ranges.

	Male	Female	23-35	36-45	46-55	56-65	66-70
BOARD	6	5	0	1	4	3	3
EXECUTIVE TEAM	3	5	0	2	2	4	0
SENIOR MANAGEMENT TEAM	7	12	4	6	6	3	0
TOTAL BOARD & MANAGEMENT	**16**	**22**	**4**	**9**	**12**	**10**	**3**

Gender Pay Gap Reporting
On 6 April 2017, new regulations came into force requiring organisations with 250 or more employees to publish annual reports containing detailed information regarding the Gender Pay Gap (including bonus pay) between men and women across their workforce.

OBJECTIVES AND ACTIVITIES – continued

Gender Pay Gap - March 2024	MALE				FEMALE			
	Number	Mean	Median	%	Number	Mean	Median	%
Whole Organisation	323	13.44	11.15	0.36	584	16.34	14.72	0.64
Upper Quartile	49	26.14	26.1124	0.22	177	25.98	26.1124	0.78
Upper Middle Quartile	85	14.46	14.7197	0.37	142	15.96	15.16	0.63
Lower Middle Quartile	72	10.81	10.42	0.32	155	10.48	10.42	0.68
Lower Quartile	117	9.02	8.93	0.52	110	9.54	9.56	0.48
	323	**73.87**	**71.33**	**0.36**	**584**	**78.30**	**75.97**	**0.64**

Although not currently a legal requirement, we will begin preparing for potential disability and ethnicity pay gap reporting. By March 2026, we aim to review available staff data and improve disclosure rates, with a view to voluntary reporting by 2027.

In summary we are proud to report that there continues to be a fair balance of pay rates between male and female employees across the organisation.

STAFF PROFILES

August 2025	Number	Percentage
Total Number of Employees	659	
Total Number of Posts	1801	
*Number of employees with impairments or disabilities	32	4.86%
**Number of employees of an ethnic minority	79	11.99%

* 23 employees declared themselves as having impairments on the 2023 Staff Survey. The 23 were from a pool of 140 that completed the staff survey which equates to 16%.
** Ethnic Minorities is inclusive of anyone who has disclosed themselves as not being white British.

Whilst we encourage staff to declare any disabilities and their ethnicity, these are not mandatory disclosures so may not truly reflect the numbers of employees in these categories. The number of employees is much higher in August 2025 than in August 2024 due to the new contract to operate Hampton Pools which commenced on 2 June 2025.

We continue to use fair recruitment practices and ensure open and transparent processes to encourage all interested parties to apply for roles.

We are proud that we have retained the Disability Confident Employer (Level 2) and have taken part in the EmployAbility scheme to assist disabled people into the leisure workforce.

The annual Community Leisure UK HR Staff Survey is used to benchmark staff salaries. This has been used by the People and Remuneration and Finance sub-committees to set the cost of living increase each year, along with ensuring roles are being paid at a competitive rate.

Continuous Improvement

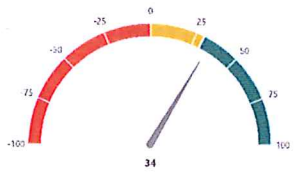
A key to the success of South Downs Leisure is in the desire to improve, reinvest and be at the forefront of new initiatives. We actively support CIMSPA membership (the Chartered Institute for the Management of Sport and Physical Activity) with the senior management team being members. We also work closely with Community Leisure UK attending regular calls and conferences.

OBJECTIVES AND ACTIVITIES – continued

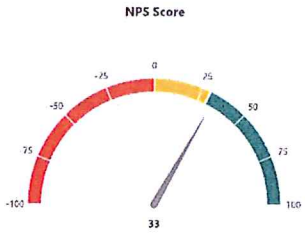
Customer Experience and Safety

Our Net Promoter Score (NPS) remains strong: 34% in Worthing and 33% in Adur, well above the national average of 29%.

WORTHING



ADUR



NATIONAL

Health & Safety: This remains a top priority, with an average audit score of 92% across all sites—well above our target of 85%.

Health & Safety Audit Scores				
	Mar-22	Mar-23	Mar-24	Mar-25
Splashpoint	90%	85%	91%	89%
Worthing	87%	88%	91%	90%
Field Place	91%	92%	93%	93%
Davison	86%	90%	92%	91%
Lancing	84%	82%	86%	91%
Southwick	81%	83%	86%	91%
Wadurs	85%	89%	89%	93%
Sea Lanes			92%	96%
Average Score	86%	87%	90%	92%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE

Overview

The 2024–2025 financial year has been another exceptional period for South Downs Leisure, as we remained steadfast in our commitment to the triple bottom line: People, Planet, Profit. Despite industry-wide pressures, we delivered a post-gain share surplus exceeding 6%. We were proud to distribute over £450,000 to Adur & Worthing Councils and more than £130,000 to Sea Lanes, reinforcing our position as a socially responsible and financially sustainable charitable trust.

People

This year saw several enhancements to staff wellbeing and benefits:

- Our pension scheme was reviewed, now enabling employees to contribute up to 10%, with SDL matching contributions.
- Staff were granted their birthday as an additional day off.
- We launched the Vitality Health Scheme for senior managers and the executive team to promote personal wellbeing.
- We also deepened our social impact through continued community engagement:
- Partnerships with Ropetackle, parkrun, and others helped us support local individuals and families through free gym memberships, swimming lessons, and the return of our successful Christmas "Shop & Drop" initiative.
- Our free memberships for Care Leavers, Refugees, Homeless individuals, and low-income families fostered a sense of inclusion and belonging. The feedback has been overwhelmingly positive, highlighting the importance of these schemes.
- The Phoenix Club, for over-50s, continued to thrive, providing companionship, creative activities, and events. We've encouraged members to embrace digital tools, including our app and online booking system.

New offerings included:

- A Young Adult Membership for 16–24-year-olds, which has tripled in uptake.
- Group exercise classes at Palatine Park, expanding our outreach.
- Operational management of the 3G football pitch at Davison.
- Successful tender and transition of operations at Hampton Pool, starting June 2025.
- Disability Days provided joyful and inclusive experiences for children with disabilities and their families, while Filipino Sports Days at Davison Leisure Centre grew from an evening event to full weekend festivals celebrating family-friendly sport.

Our facilities also hosted community-led events and learning opportunities, including:

- Worthing College Employability Days to prepare students for the workplace.
- The SID Youth Hangout Club, offering a safe and welcoming space for young people.
- Free public CPR and First Aid courses to increase community resilience.
- Continued support for Green Dreams Community Food & Greenspaces Festival at Field Place and now Lancing, promoting sustainable living.
- Ongoing collaboration with The Durrington Theatrical Society, hosting popular performances at Field Place.

Planet

Our carbon footprint, specifically Scope 2 emissions, remained stable during the reporting year. However, we have laid significant groundwork through several capital projects aimed at reducing emissions in 2025–26 and beyond.

Sustainability achievements include:

- Investment in energy-efficient infrastructure such as Ground Source Heat Pumps at Splashpoint paid for by Morgan Sindall and Worthing Borough Council
- New Solar PV at Wadurs and Splashpoint paid for by a Sport England grant
- Battery Storage at Wadurs

ACHIEVEMENTS AND PERFORMANCE - continued

- New efficient pumps at Wadurs
- Expansion of cycle storage at four facilities
- Continued progress on paperless operations, including payroll and timesheets

We remain committed to aligning our Health & Wellbeing Strategy with the NHS 10-Year Plan, ensuring our practices are future-facing and community-minded.

Profit and Operational Development

2024-25 has been another exceptional year for South Downs Leisure managing our finances. Our profit margin after Gain Shares have been given out was 6%. We also gave a gain share of over £450,000 to Adur and Worthing Councils and over £130,000 to Sea Lanes.

Despite challenges such as increased National Living Wage and National Insurance contributions—raising our wage bill by approx. 14% in April 2025—we kept average price increases to just 5%. Membership now exceeds 16,500, with sustained growth across all areas.

Key capital investments and improvements included:

- Les Mills Virtual Studios at Splashpoint and Southwick.
- Refurbished toilets and changing facilities across our estate.
- A new outdoor sauna cabin at Splashpoint, revitalising the former paddling pool area.
- New lockers and cubicles at Splashpoint.
- Ongoing reinvestment totalling over £1.5 million in the last two years.

We also successfully insourced our payroll function in May 2024, a move that not only boosted efficiency but contributed to our environmental goals. To further streamline internal communications, we are preparing to introduce an AI Chat Bot to handle standard HR queries, an innovation expected to resolve around 80% of the 6,000–8,000 annual staff emails, freeing up time for our current staff to provide quality and further strategy.

Our subsidiary, South Downs Leisure Enterprises Ltd. saw continued success in corporate hospitality. Notably, we secured a key booking with the Driver and Vehicle Standards Agency (DVSA). Plans are also underway to transform the rear garden at Field Place into a dedicated wedding space with small lodges for guest accommodation.

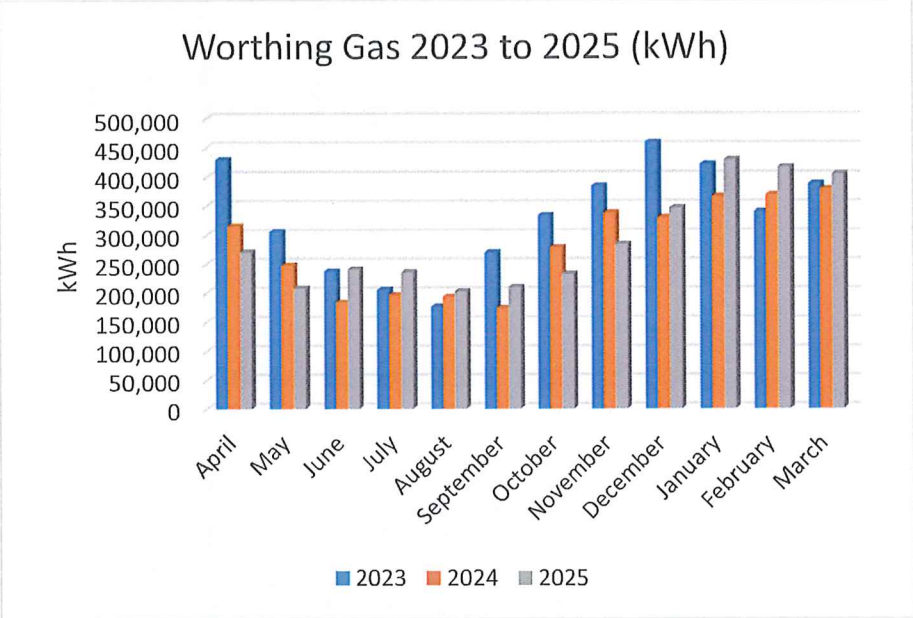
Sea Lanes, the National Open Water Swimming Centre in Brighton, continues to thrive with over 200,000 visitors since its opening in June 2023. The facility is not only financially successful but also provides a venue for inclusive charity events and safe cold-water swimming.

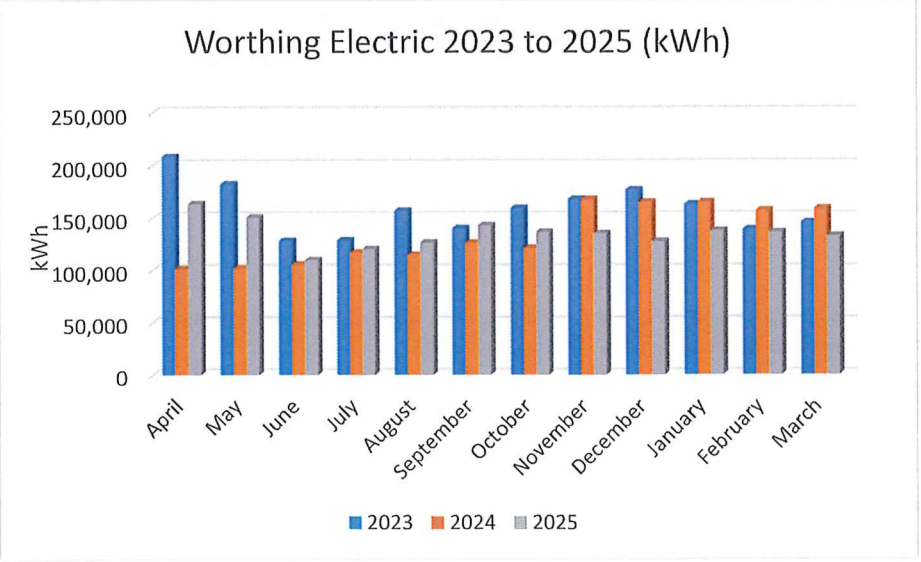
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

ENVIRONMENT AND SUSTAINABILITY

This continues to be of high importance since becoming a key focus of the business in 2021. We introduced a separate Sustainability Development Strategy for 2022 – 2026 and are working on a new strategy for 2027-2031 to continue our push towards net zero. We have worked hard to make this part of the culture at SDL, by investing in training staff, communications to staff/customers and working with partners. We have ensured that sustainability is considered as part of all decisions that are made at all levels.

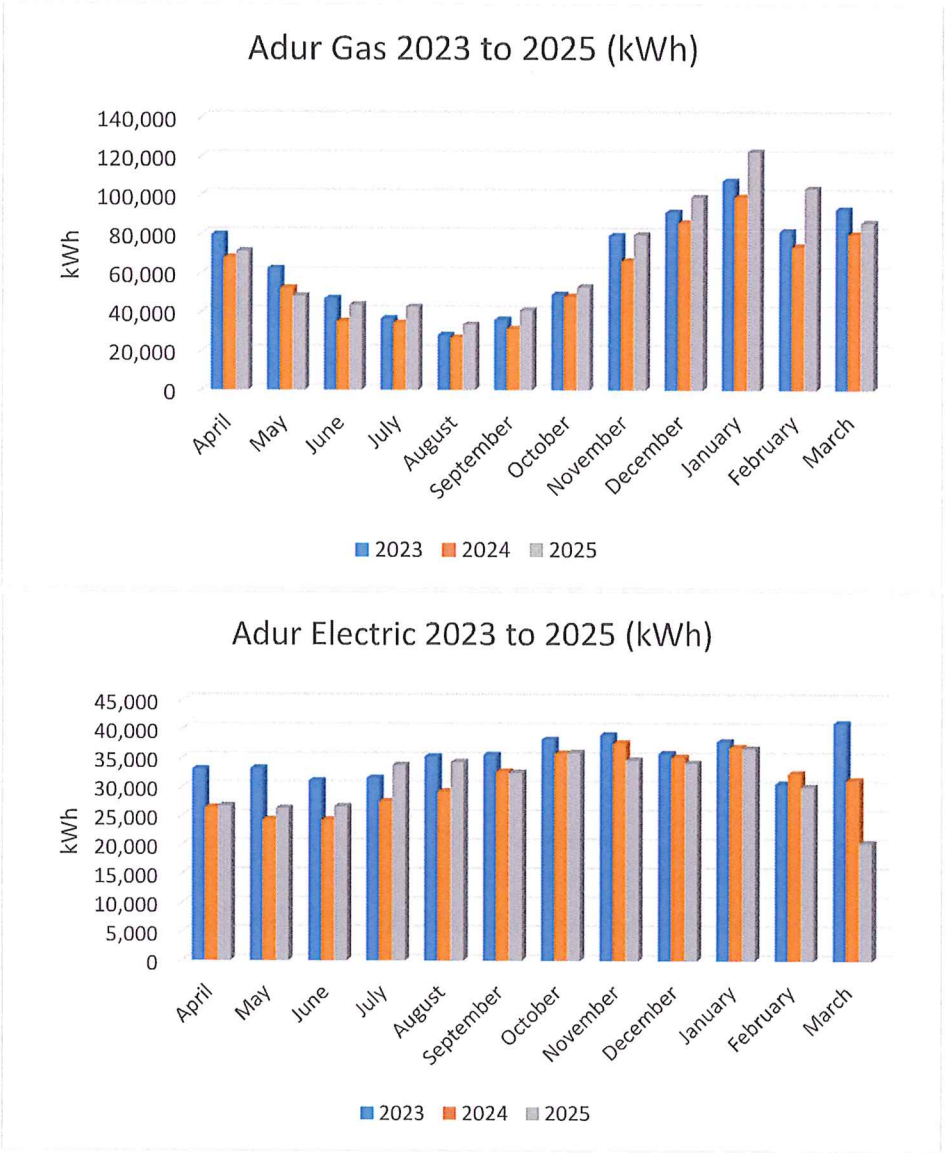
Work continues to understand our energy usage and drive this down. Destratification fans are now in use at Splashpoint to ensure that warm air is circulated to the areas where it is most needed. We have worked with Worthing Borough Council and Sports England to secure grants to increase the solar panels at Splashpoint and to introduce them at Wadurs. The ground source heat pump at Splashpoint has finally been reinstalled and recommissioned in June 2025. The effect of some of these measures will only be apparent at the end of the next financial year. Staff teams have really taken this on across the sites with environmental champions leading the way and continually coming up with new ideas. Comparing gas and electricity usage between 2023 and 2025 shows the continuing affect the measures are having:





ENVIRONMENT AND SUSTAINABILITY - continued

Gas is much harder to reduce as this controls the heating and hot water. The Worthing heat network will start supplying heat in Worthing from March 2026 and Splashpoint have signed up to this initiative. A grant has been secured from Southern Water to introduce a water retention scheme at Splashpoint, and this is due to be installed during the autumn of 2025.



The usage in Southwick is largely down due to the health suite being out of action for certain periods. The centres are all experiencing higher usage which is reflected in increased running costs.

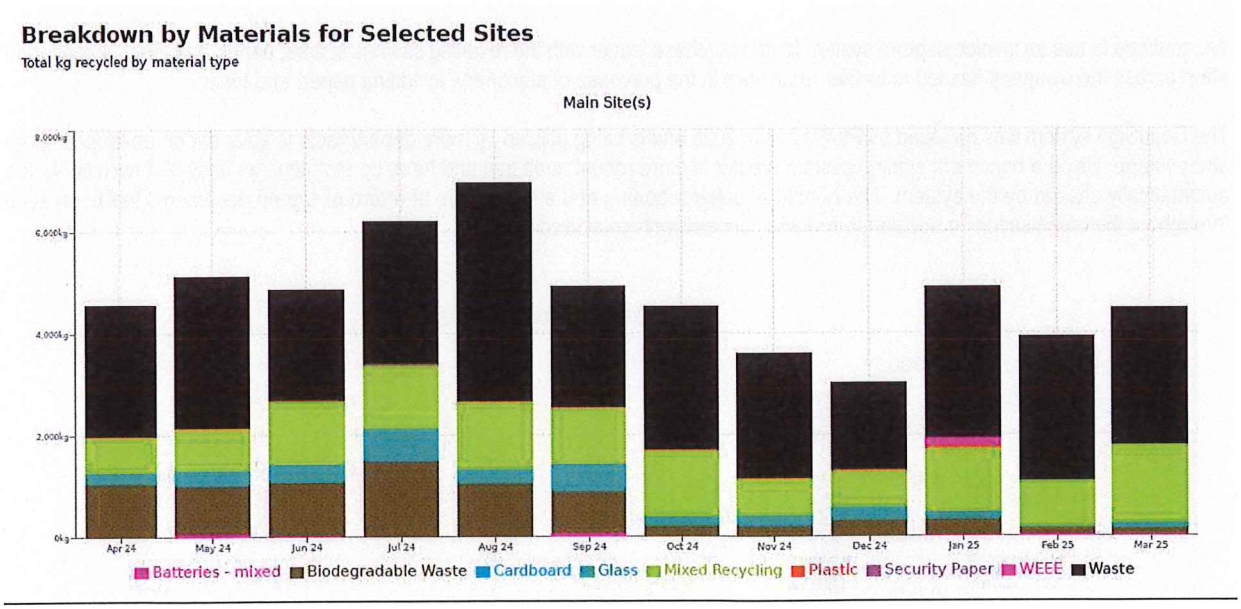
In addition, we are looking at Building Management Systems upgrades to better to control the sites plus further solar panels.

ENVIRONMENT AND SUSTAINABILITY - continued

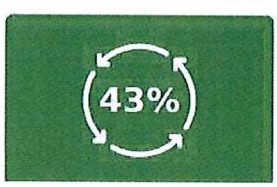
Regular meetings are held to discuss achievements and review new initiatives. We have been working with specialist external suppliers to further review options available. We further developed our handling of waste across the sites with waste audits and increased recycling options such as glass/food/flexible plastics and batteries. The partnership with Recorra has allowed this to take place and enable us to review the waste we produce.

Sustainable refuse collections – Recycling Rate and Material Breakdown with Recorra

Recycling Rate	Average for period	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025
Average for selected sites	43%	44%	42%	56%	55%	38%	52%	38%	32%	44%	40%	28%	40%
SOUTH DOWNS LEISURE T.A. Field Place	52%	52%	45%	61%	72%	64%	65%	47%	57%	60%	42%	11%	49%
SOUTH DOWNS LEISURE T.A. Wadurs Swimming Pool	46%	26%	29%	51%	35%	58%	54%	81%	22%	60%	-	100%	30%
SOUTH DOWNS LEISURE T.A. Southwick Leisure Centre	43%	38%	40%	76%	43%	52%	48%	31%	22%	34%	39%	36%	53%
SOUTH DOWNS LEISURE T.A. Lancing Manor Leisure Centre	41%	46%	36%	55%	50%	46%	56%	40%	19%	40%	40%	27%	38%
SOUTH DOWNS LEISURE T.A. Splashpoint	37%	38%	39%	56%	41%	51%	40%	31%	19%	33%	35%	28%	34%
SOUTH DOWNS LEISURE T.A Worthing Leisure	38%	45%	52%	40%	49%	13%	42%	31%	33%	31%	43%	36%	38%



ENVIRONMENT AND SUSTAINABILITY - continued



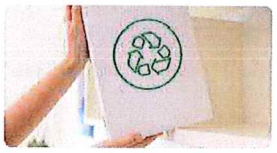
43%
Overall recycling rate

1.2 kg / weekly
Recycling per employee

65
Trees Saved

24,939kg
CO_2 Saved

24,509kg
Materials recycled



39kg
Paper recycled

0
Coffee logs produced

88
Homes powered for a month

112
Meals Donated to Charity

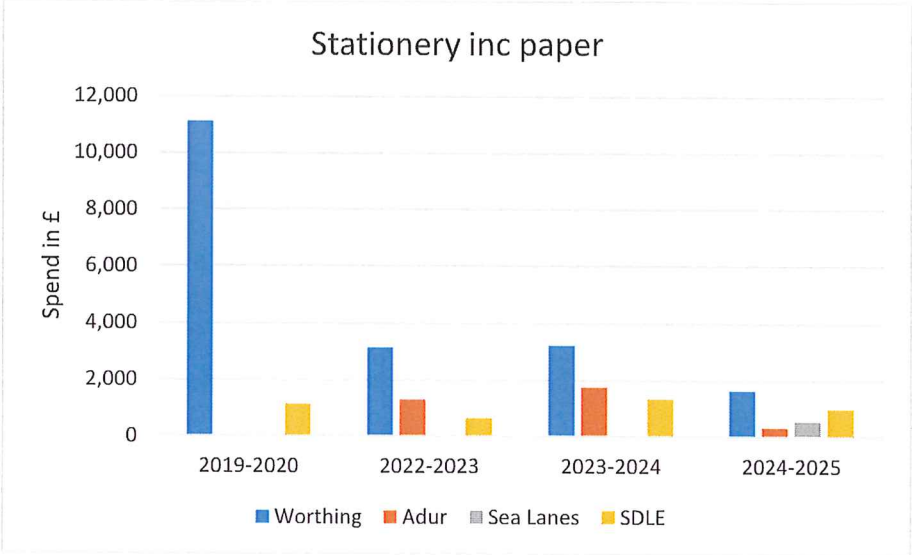
0
Tutoring Sessions

Scope 3 Emissions
Available when the Carbon Reduction Report has been purchased, please contact the helpdesk

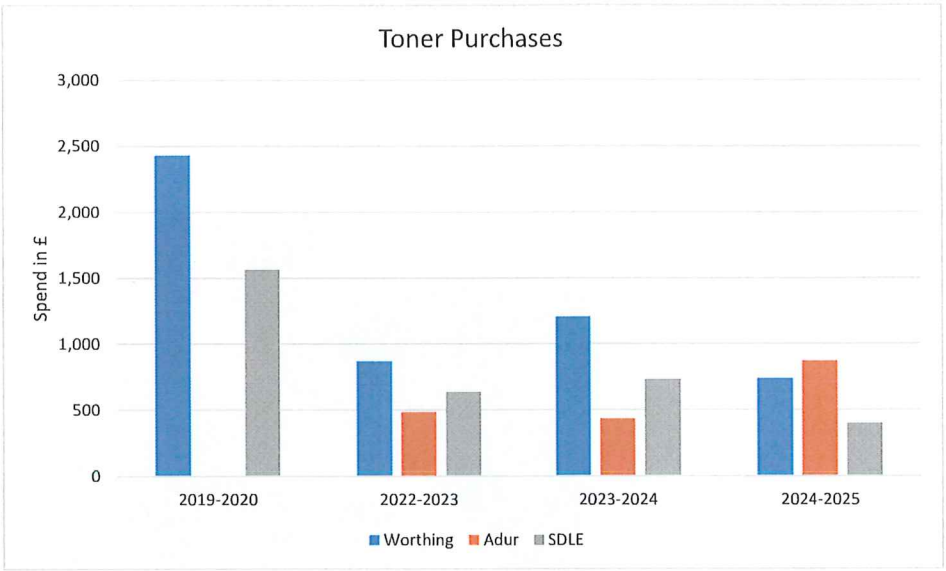
Percentage of collections by EV
Available when the Carbon Reduction Report has been purchased, please contact the helpdesk

We continue to use an invoice capture system for the purchase ledger with the resulting savings in time, paper, and toner. A concerted effort across the company has led to further reductions in the purchase of stationery, including paper, and toner.

The DocuSign system was replaced by PandaDoc in 2025 and is being utilised by more departments to save paper, envelopes, toner and postage. Using a document signing system creates a more robust audit trail and frees up staff time as unsigned documents are automatically chased by the system. The benefit of better reporting and a higher rate of return of signed documents has been seen throughout the organisation, in addition to reducing our environmental impact.



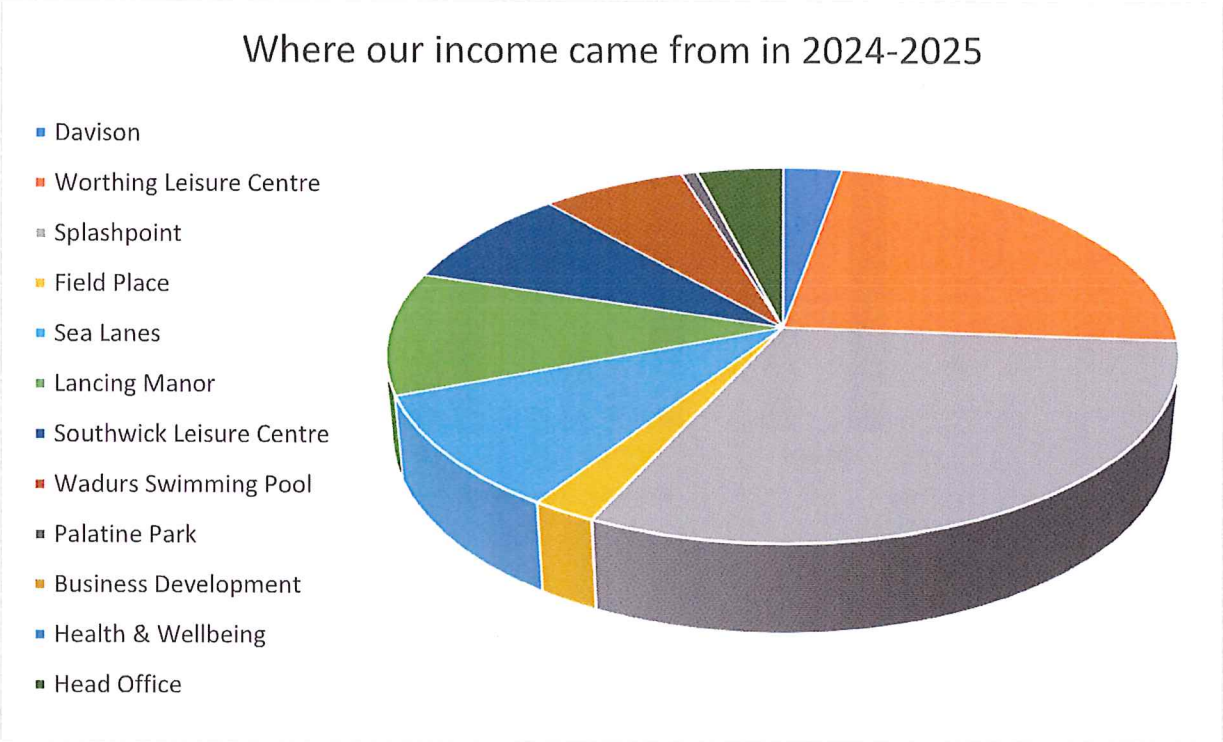
ENVIRONMENT AND SUSTAINABILITY – continued

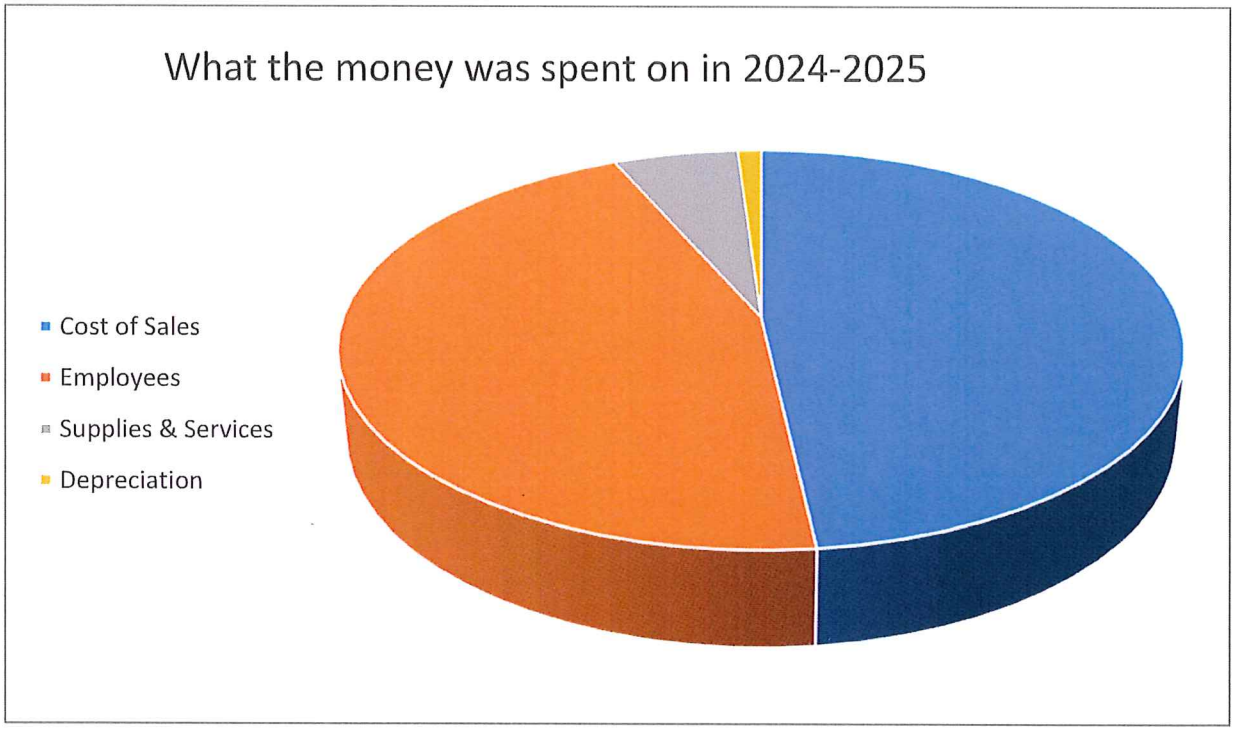


REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

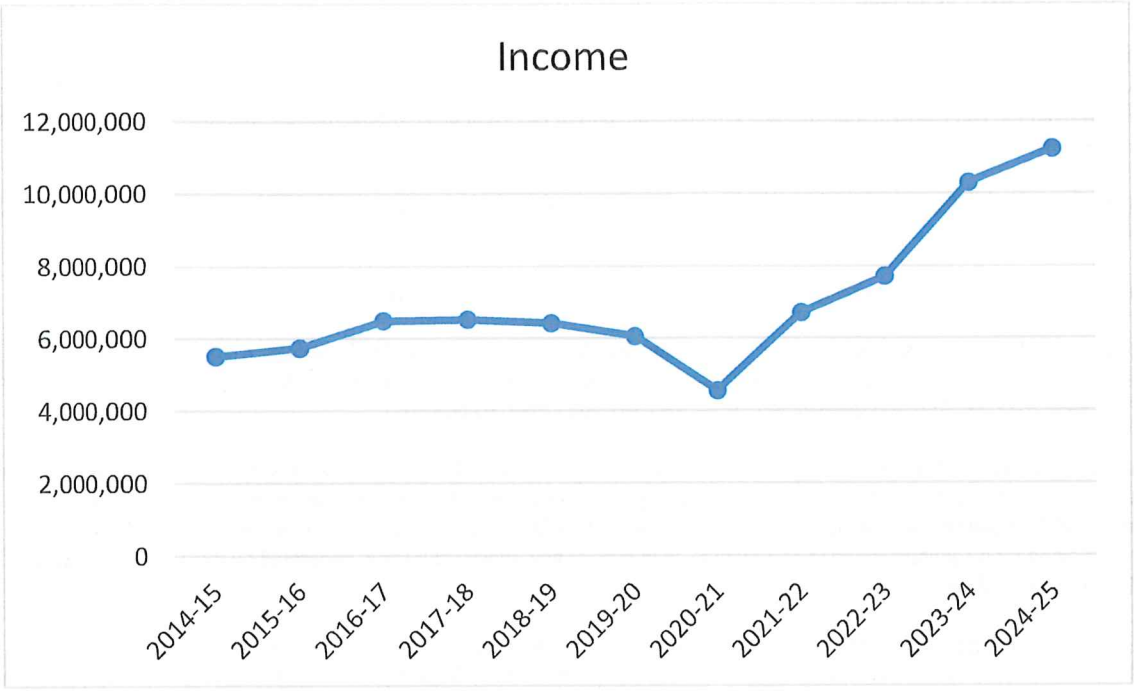
FINANCIAL REVIEW

The following charts show where our income came from and how that money was spent.

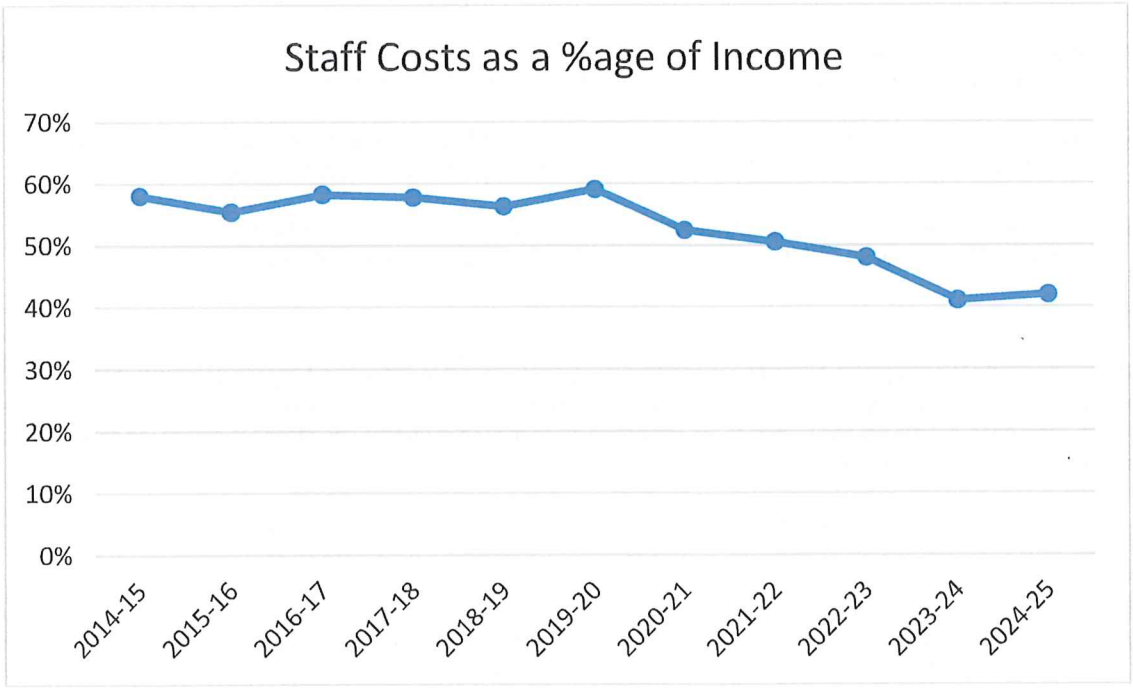




FINANCIAL REVIEW – continued



The above chart shows the income year on year. 2013-2015 we were a council Direct Service Organisation.



The above chart shows staff costs as a % of income. Figures from 2018-19 include Head Office costs.

FINANCIAL REVIEW – continued

Reserves

Surpluses on trading and charitable activities will be transferred to a risk reserve and an improvement reserve. After the accumulation of £891,000 into the risk reserve, then the Worthing contract part of the Trust shall transfer up to £100,000 of any surplus generated into a designated account, the Improvement Reserve.

Surpluses from the Adur contract will be saved into a separate improvement reserve after 50% has been paid to Adur & Worthing Council.

Surpluses from the Palatine Park contract are to be kept in a separate fund for use on football in the community.

The group has returned a surplus of £693,573, after exceptional items (2024: £1,294,810. There was a surplus in the year of £805,543 before exceptional items). The accumulated reserves for the group amounted to £3,261,885 (2024: £2,568,312), including restricted funds of £590 (2024: £4,762) and unrestricted funds of £3,261,295 (2023: £2,563,550).

In the event that the Trust meets the agreed Risk Reserve target of £891,000 and after £100,000 has been transferred into the Improvement Reserve for the Worthing contract, 50% of any surpluses for the Adur contract have been transferred into an Improvement Reserve, and the Palatine Park surplus has been transferred into a football in the community fund, and the Risk Reserve target has been maintained for a continuous period of 3 months, then 50% of any additional surplus generated by the Trust in any Service Year shall be shared with Worthing Borough Council.

The Group had total reserves at the balance sheet date of £3,261,885 (2024: £2,568,312). £891,000 (2024: £891,000) has been designated as the risk reserve in accordance with the reserves policy and £1,398,925 (2024: £1,034,944) has been designated as the improvement reserve for Worthing, plus £389,355 (2024 £174,534) for Adur, Palatine Park deficit £4,410 (2024: Deficit £4,599) and Sea Lanes risk reserve £130,000 (2024: £125,000), in accordance with the reserves policy, and £224,871 (2024: £76,566) designated as the business improvement reserve for Sea Lanes. Restricted funds at the yearend were £590 (2024: £4,762).

The Worthing improvement reserve balance of £1,398,925 (2024: £1,034,944) is made up of the net book value of fixed asset purchases since incorporation of £297,644 (2024: £288,205) and there were £1,101,281 in unspent reserves (2024: 746,739).

The Adur improvement reserve balance of £389,355 (2024: £174,534) is made up of the net book value of fixed asset purchases since incorporation of £83,399 (2024: £169,068) and there were £305,956 in unspent reserves (2024: £5,466).

The Sea Lanes improvement reserve balance of £224,871 (2024: £76,566) is made up of the net book value of fixed asset purchases since incorporation of £4,189 (2024: £8,046) and there were £220,682 in unspent reserves (2024: £68,520).

Going concern

As with any Charity that has been established for the last ten years having weathered the instability of gas and electricity supplies and the extortionate prices caused by the war in Ukraine, the Pandemic and the cost of living concerns from high inflation, we are well versed with challenges, but are not complacent to the magnitude these may have and the importance to ensure we apply the right due diligence and caution with all decisions and new ventures.

What we have worked towards over the past five years has meant that we would be in a significantly stronger position than where we came from.

Additional solar panels have been fitted to Splashpoint and Wadurs swimming pools. We have been successful in a bid from Southern Water to implement a new water saving scheme which will ultimately reduce costs. We have now recommissioned the Ground Source Heat Pumps at Splashpoint, and we are currently investigating new Solar PV at Worthing LC and Field Place.

The industry is still seeing an increase in membership since the pandemic and South Downs Leisure is no exception. The membership continues to grow making our facilities very busy. Plans are being investigated to increase our capacity and improve our offering.

We now have a lean, agile workforce which is felt will be one of the best ways to cope with the challenges we have experienced and to give us flexibility moving forwards. We will be looking at a new structure that will increase staff costs but will allow us to grow in the future. We are also investigating new technologies, notably with AI that allows our current staff more capacity to grow.

Costs are monitored and controlled closely and all schemes available are utilised to minimise our costs.

Going concern - continued
We have put together a 10-year asset replacement plan which includes significant re-investment into all our facilities, to not just maintain them but improve them.

By investing in our people, premises and products we believe that we are able to provide an excellent service whilst keeping this accessible to the community we serve. There are numerous schemes to provide access to harder to reach groups and remaining profitable enables our continued efforts in this area.

The Board of Trustees has considered the current economic climate and are satisfied that, assuming customers behaviour is in line with industry expectations, that it will be able to meet all its obligations as and when they fall due. Accordingly, they consider it appropriate to continue to prepare the financial statements on a going concern basis.

Plans for the future
South Downs Leisure's performance in the financial year 2024-2025 has been exceptional, highlighted by remarkable membership & financial growth, our carbon footprint has remained steady this year as we drew plans for large capital that will see a step change in 2025-26. These achievements reflect our commitment to providing top-quality services, supporting sustainability, supporting our community and being a socially responsible organisation. We remain committed to our mission of providing inclusive health and wellbeing initiatives while maintaining a clean, safe, and happy leisure experience.

A major investment in Worthing Leisure Centre is planned, aimed at expanding group exercise and gym space while redesigning our soft play areas to better meet user needs.

Our capital programme targets carbon net zero at the majority of our dry facilities by 2030. Achieving this will require substantial investment but will secure long-term utility protection and position South Downs Leisure as a leader in sustainability.

Our dedication to the triple bottom line of People, Planet, Profit guides our actions, ensuring a positive impact on our community and the environment. We look forward to continued success and progress in the years to come.

ACCOUNTABLE AND TRANSPARENT
The work of the Trust sits largely in the public domain and through its values, club and customer focus groups, surveys & feedback mechanisms it strives to engage with all interested parties. The business plan and objectives are published and subject to public scrutiny.

As part of the service agreements with Worthing Borough Council and Adur District Council, the Trust provides regular reports to the Council on its performance through monitoring Key Performance Indicators (KPIs).

FUNDRAISING
As a charity our income is derived from charitable trading and as such, we do not undertake any specific campaigns which require donations.

DISABLED PERSONS
The parent Charitable Company and its subsidiary undertakings' policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. South Downs Leisure is a Disability Confident employer and completed the Employability scheme during 2022-2023.

ENGAGEMENT WITH EMPLOYEES
A regular staff newsletter, a staff Facebook page, an annual staff awards party and environment team building days are just some of the ways that South Downs Leisure engage with staff. It is recognised that different avenues are required to engage with different groups of staff, and we continue to look at new avenues for communication. A number of podcasts have been created to discuss different subjects which have included menopause, cost of living, neurodivergence etc.

The Wellbeing Champions (previously known as Workplace Champions) introduced in 2021 are volunteers who have been given training to support staff, provide a means of signposting staff to additional support and coordinating with management as necessary.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Worthing Counselling Centre was employed as the EAP provider during 2019/20. This is a local charitable service which has already proved more popular than the previous, more generic, service. We are helping our staff and another local charity which fits perfectly with our ethos.

Our board of Trustees also includes a Staff Trustee to represent the staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of South Downs Leisure 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).

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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
  state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 the 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.

ON BEHALF OF THE BOARD:

P Newton – Chair

Date: 30 September 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH DOWNS LEISURE

Opinion

We have audited the financial statements of South Downs Leisure (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 group 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Strategic Report and The Directors' Report included with the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH DOWNS LEISURE

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Reported included with the Report of 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 by the parent charitable company and its subsidiary, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company 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 group's and the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and Charitable Company through discussions with management and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and 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 Group's and Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 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:

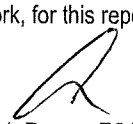
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

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 trustees' and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



Clair Rayner FCA DChA (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: 30.09.2025

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted Funds	Restricted Funds	31.3.25 Total Funds	31.3.24 Total Funds
		£	£	£	£
INCOME					
Income from charitable activities: Operation of leisure, recreation sites and health activities	5	10,765,140	4,638	10,769,778	9,860,668
Income from other trading activities: Commercial trading operations	6	656,932	-	656,932	686,359
Investment income	7	74,031	-	74,031	-
TOTAL INCOME		11,496,103	4,638	11,500,741	10,547,027
EXPENDITURE					
Costs of raising funds: Commercial trading operations	6	582,669	-	582,669	653,183
Expenditure on charitable activities: Operation of leisure, recreation sites and health activities	9	10,103,719	8,810	10,112,529	9,155,147
TOTAL EXPENDITURE		10,686,388	8,810	10,695,198	9,808,330
NET (EXPENDITURE) / INCOME BEFORE EXCEPTIONAL ITEMS, TAXATION AND TRANSFERS		809,715	(4,172)	805,543	738,697
Exceptional items	25	(111,970)	-	(111,970)	556,113
NET MOVEMENT IN FUNDS		697,745	(4,172)	693,573	1,294,810
RECONCILIATION OF FUNDS:	25				
FUNDS BROUGHT FORWARD		2,563,550	4,762	2,568,312	1,273,502
FUNDS CARRIED FORWARD		3,261,295	590	3,261,885	2,568,312

All incoming resources and resources expended arise from continuing activities. The group has no other recognised gains and losses other than those stated above.

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2025

	Notes	31.3.25 Total Funds £	31.3.25 Total Funds £	31.3.24 Total Funds £	31.3.24 Total Funds £
FIXED ASSETS					
Intangible assets	15		-		4,681
Tangible assets	16		487,064		555,446
Investments	17		-		-
			487,064		560,127
CURRENT ASSETS					
Stocks	18	67,338		46,980	
Debtors	19	429,867		419,195	
Investments	20	2,000,000		1,000,000	
Cash at bank and in hand		2,045,924		2,116,721	
		4,543,129		3,582,896	
CREDITORS					
Amounts falling due within one year	21	(1,762,715)		(1,549,587)	
NET CURRENT ASSETS			2,780,414		2,033,309
TOTAL ASSETS LESS CURRENT LIABILITIES			3,267,478		2,593,436
PROVISIONS FOR LIABILITIES	22		(5,593)		(25,124)
NET ASSETS			3,261,885		2,568,312
FUNDS					
Unrestricted income funds			343,524		266,105
Unrestricted designated funds			2,917,771		2,297,445
Restricted funds			590		4,762
TOTAL FUNDS	25		3,261,885		2,568,312

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 30/09/25 and were signed on its behalf by:

.....
P Newton – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

COMPANY BALANCE SHEET
AT 31 MARCH 2025

	Notes	31.3.25 Total Funds £	31.3.25 Total Funds £	31.3.24 Total Funds £	31.3.24 Total Funds £
FIXED ASSETS					
Intangible assets	15		-		4,681
Tangible assets	16		385,232		460,638
Investments	17		1		1
			385,233		465,320
CURRENT ASSETS					
Stocks	18	67,338		46,980	
Debtors:	19	336,060		513,346	
Investments	20	2,000,000		1,000,000	
Cash at bank and in hand		1,973,132		1,686,537	
		4,376,530		3,246,863	
CREDITORS					
Amounts falling due within one year	21	(1,843,401)		(1,409,976)	
NET CURRENT ASSETS			2,533,129		1,836,887
TOTAL ASSETS LESS CURRENT LIABILITIES			2,918,362		2,302,207
NET ASSETS			2,918,362		2,302,207
FUNDS					
Unrestricted designated funds			2,917,772		2,297,445
Restricted funds			590		4,762
TOTAL FUNDS	25		2,918,362		2,302,207

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

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.....
P Newton – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

		Group 31.3.25 £	Group 31.3.24 £	Company 31.3.25 £	Company 31.3.24 £
Cash flows from operating activities	1	1,047,547	1,368,479	1,386,891	1,220,336
Tax paid		-	-	-	-
Net cash from operating activities		1,047,547	1,368,479	1,386,891	1,220,336
Cash flows from investing activities					
Purchase of tangible fixed assets		(140,871)	(213,547)	(125,161)	(199,400)
Purchase of intangible fixed assets		-	-	-	-
Disposal of asset		-	(43)	-	(1)
Finance charges		(51,504)	(93,530)	(49,166)	(90,470)
Interest receivable		74,031	-	74,031	-
Purchase of investment		(2,000,000)	(1,000,000)	(2,000,000)	(1,000,000)
Investments matured		1,000,000		1,000,000	
Net cash from investing activities		(1,118,344)	(1,307,120)	(1,100,296)	(1,289,871)
Cash flows from financing activities					
Subsidiary loan repayments to parent		-	-	-	-
New loan		-	-	-	-
Loan repayments		-	-	-	-
Net cash from investing activities		-	-	-	-
Increase in cash and cash equivalents in the reporting period		(70,797)	61,359	286,595	(69,535)
Cash and cash equivalents at the beginning of the reporting period	2	2,116,721	2,055,362	1,686,537	1,756,072
Cash and cash equivalents at the end of the reporting period	2	2,045,924	2,116,721	1,973,132	1,686,537

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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

1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 31.3.25 £	Group 31.3.24 £	Company 31.3.25 £	Company 31.3.24 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	693,573	1,294,810	616,154	1,261,634
Depreciation/amortisation charges	213,934	204,428	205,248	191,600
Finance costs	51,504	93,530	49,166	90,470
Interest received	(74,031)	-	(74,031)	-
(Increase) / decrease in stock	(20,358)	17,422	(20,358)	17,422
Decrease / (increase) in debtors	(10,672)	38,500	43,037	14,234
Decrease / (Increase) in intercompany	-	-	429,606	(105,969)
Increase / (Decrease) in deferred tax	(19,531)	7,415	-	-
Increase / (Decrease) in creditors	101,158	268,487	26,098	307,058
Increase / (Decrease) in fair value of utilities contracts	111,970	(556,113)	111,970	(556,113)
Net cash flow from operating activities	1,047,547	1,368,479	1,386,891	1,220,336

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

Group

	31.03.25 £	31.03.24 £
Cash at bank and in hand	2,045,924	2,116,721
Total cash and cash equivalents	2,045,924	2,116,721

Company

	31.03.25 £	31.03.24 £
Cash at bank and in hand	1,973,132	1,686,537
Total cash and cash equivalents	1,973,132	1,686,537

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

3. ANALYSIS OF CHANGES IN NET FUNDS

Group

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank and in hand	2,116,721	(70,797)	2,045,924
	2,116,721	(70,797)	2,045,924
Debt			
Debts falling due within 1 year	-	-	-
Debts falling due after 1 year	-	-	-
	-	-	
Total	2,116,721	(70,797)	2,045,924

Company

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank and in hand	1,686,537	286,595	1,973,132
	1,686,537	286,595	1,973,132
Debt			
Debts falling due within 1 year	-	-	-
Debts falling due after 1 year	-	-	-
	-	-	-
Total	1,686,537	286,595	1,973,132

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

1. STATUTORY INFORMATION

South Downs Leisure (A Private Company Limited by Guarantee) is a registered charity in England and Wales. The Charity's registered number and registered office address can be found on the Charity Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the provisions of FRS 102 (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There were no material departures from that standard.

The group's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the group. The financial statements are therefore presented in British Pound Sterling.

Going concern

Having weathered the instability of gas and electricity supplies and the extortionate prices caused by the war in Ukraine we continue to purchase our utilities through a broker, so hedge and contract our purchasing ahead of time. We continue to keep our People, Profit, Planet mantra first and foremost and apply this to all decisions.

Additional solar panels are to be fitted to Splashpoint and Wadurs swimming pools. We have been successful in a bid from Southern Water to implement a new water saving scheme which will ultimately reduce costs. We are also investigating in Deep Green as an additional tool to bring Splashpoint to net zero in line with our policy.

The industry is still seeing an increase in membership since the pandemic and South Downs Leisure is no exception. The membership continues to grow making our facilities very busy. Plans are being investigated to increase our capacity and improve our offering.

We now have a lean, agile workforce which is felt will be one of the best ways to cope with the challenges we have experienced and to give us flexibility moving forwards. We are focussing on the People element this year and have developed a number of inhouse training courses to continue developing our staff and encouraging retention.

Costs are monitored and controlled closely and all schemes available are utilised to minimise our costs i.e., training through CIMSPA.

By investing in our people, premises and products we believe that we are able to provide an excellent service whilst keeping this accessible to the community we serve. There are numerous schemes to provide access to harder to reach groups and remaining profitable enables our continued efforts in this area.

The Board of Trustees has considered the current economic climate and are satisfied that, there are no material uncertainties that impact their assessment of Going Concern and are satisfied that the Group and charitable company will be able to meet all its obligations as and when they fall due. Accordingly, they consider it appropriate to continue to prepare the financial statements on a going concern basis.

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

3. ACCOUNTING POLICIES – continued

Preparation of consolidated financial statements
The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary South Downs Leisure Enterprises Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account is not presented for the Charitable Company itself in accordance with the exemptions afforded by paragraph 397 of the SORP.

Income recognition
All incoming resources from recreation and leisure sites are included on the Statement of Financial Activities when the charitable company is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the charitable company will receive the income. Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences. Some services are provided in advance of an invoice being raised and as such is accrued until the invoice has been raised and the income recognised in the income and expenditure account. Income for annual memberships is accounted for over the membership year.

Grants receivable
Grants receivable in respect of a specified period relating to the general activities of the charitable company are recognised in the Statement of Financial Activities in the period in which they become receivable. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use.

Government grants
Government grants are recognised when it is reasonably certain that the conditions attached the grant are met. The grant is recognised on an accruals basis over the period necessary to match with the costs that they are associated

Unrestricted Funds
Unrestricted funds are incoming resources receivable or generated for the objects of the charitable company 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.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

Support costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative, and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

3. ACCOUNTING POLICIES – continued

Development costs
Development expenditure is capitalised when all of the following criteria are met:

- The project is clearly defined and costs are separately identifiable and can be reliably measured;
- The project is technically feasible and commercially viable;
- The company intends to complete the project and either use or sell the resulting asset; and
- It is probable that future economic benefits will arise.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life of the asset typically between 3-5 years. Where the useful life cannot be reliability determined, development costs are amortised over 10 years.

Where the criteria for capitalisation are not met, development expenditure is recognised as an expense in the period in which it is incurred.

Tangible fixed assets
Fixed assets costing in excess of £5,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	straight line over 5 years
Fitness equipment	straight line over 5 years
Computer equipment	straight line over 5 years
Fixed assets - Adur sites	straight line over 4 years, until March 2026
Enterprise garden	Straight line over the life of the Worthing contract. 23 years
Sea lanes assets	Straight line over 3 years

Intangible fixed assets
Intangible assets costing in excess of £5,000 are shown in the financial statements at cost, excluding irrecoverable VAT. Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer Software	straight line over 5 years
Development costs	straight line over 3-5 years

3. ACCOUNTING POLICIES – continued

Irrecoverable VAT
Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Service Concession Arrangements
The charitable company has a Service Contract with Worthing Borough Council for the operation of leisure centres owned by the Council to which it has lease and management service contracts. Worthing Borough Council has rights under the contracts to specify the activities offered by the centres and has influence over the prices charged for them and specifies minimum standards for the services to be provided.

Property, plant and equipment
The buildings and plant at the centres are leased to the charitable company as part of the overall contractual relationship with Worthing Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the leisure centres, so that the charitable company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the charitable company's Balance Sheet.

Stocks
Stocks are valued at the lower of cost and estimated selling price less costs to sell, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Debtors receivable and creditors payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Debtors receivable and creditors payable over one year
Debtors and creditors are stated at value due as an appropriate interest/discount rate is effectively applied.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Allocation and apportionment of costs
Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites and in performance of the health activities. Charitable activities are split into recreation, leisure site and health activities costs, which are those costs incurred directly in the running of each of the sites and health activities, and support costs which are those costs incurred directly in support of expenditure on the objects of the Charitable Company.

Redundancy costs
Redundancy costs to be recognised in the SOFA when the decision has been fully communicated to the relevant employees.

3. ACCOUNTING POLICIES – continued

Financial Instruments
The charitable company and subsidiary enter into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors
Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand.

c) Investments
Investments with short-term deposits that have an original maturity of three months or more.

d) Impairment of financial assets
Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors
Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Charitable Company and subsidiary enter into other financial instruments that result in the recognition of financial assets and liabilities at fair value.

e) Forward contracts
As a result of the volatile utilities market the Charitable Company enters into forward contracts to manage its cash flow risk concerning the price of utilities in the future. The financial instrument is valued at the balance sheet date at fair value. Fair value gains and losses are recognised in the statement of other comprehensive income.

Taxation
The Charitable Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

3. ACCOUNTING POLICIES – continued

Pension costs and other post-retirement benefits

In respect of those defined benefit pension schemes where the local authority has indemnified the Charitable company against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of a contract, the amount charged to the statement of financial activities represents the contribution payable to the scheme in the accounting period without any actuarial adjustment. Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

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 to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in 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, the deferred income relating to memberships and bookings for the following year and the provision for gain shares in respect of contracts to run facilities on behalf of third parties.

4. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the Group Statement of Financial Activities include those of the Charitable Company's wholly owned subsidiary South Downs Leisure Enterprises Limited.

A summary of the financial activities undertaken by the Charitable Company is set out below:

			31.3.25	31.3.24
			£	£
Gross incoming resources	-	Operation of leisure centres	10,791,984	9,855,278
	-	Grants (note 5)	4,638	5,390
	-	Investment income (note 7)	74,031	
			10,870,653	9,860,668
Total expenditure on charitable activities			(10,142,529)	(9,155,147)
Exceptional items			(111,970)	556,113
Loan interest from subsidiary				
Net incoming / (outgoing) resources			616,154	1,261,634

Income and expenditure from charitable activities on the SOFA differs slightly to the actual income and expenditure of the charity. This is because the consolidated SOFA excludes £26,844 of intercompany income, and £30,000 of intercompany expenditure.

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

5. INCOME FROM CHARITABLE ACTIVITIES – continued

			31.3.25	31.3.24
			£	£
Gross incoming resources	-	Operation of leisure centres	10,765,140	9,855,278
	-	Grants	4,638	5,390
Net incoming / (outgoing) resources			10,769,778	9,860,668

Income from charitable activities was £10,769,778 (2024: £9,860,668) of which £4,638 (2024: £5,390) was attributable to restricted funds and £10,765,140 (2024: £9,855,278) was attributable to unrestricted funds.

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

	31.3.25	31.3.24
	£	£
Other grants	4,638	5,390
Other Local Authority grants	-	-
Net incoming / (outgoing) resources	4,638	5,390

6. INCOMING / (OUTGOING) RESOURCES FROM COMMERCIAL TRADING OPERATIONS

A summary of the trading results of the wholly owned subsidiary South Downs Leisure Enterprises Limited is shown below:

	31.3.25	31.3.24
	£	£
Turnover	686,932	686,359
Cost of sales and administration costs	(606,065)	(634,126)
Gift aid donation from subsidiary to parent	-	-
Interest on inter-group loan	-	-
Current and deferred taxation	(3,448)	(19,057)
Net profit/(loss)	77,419	33,176

Income and expenditure from other trading activities on the SOFA differs slightly to the actual income and expenditure of the trading subsidiary. This is because the consolidated SOFA excludes £30,000 of intercompany income, and £26,844 of intercompany expenditure.

7. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Deposit account income	74,031	-
	74,031	-

There was income during the year ended 31 March 2025 relating to interest earned from a deposit account.

Investment income was £74,031 (2024: £nil) of which £nil (2024: £nil) was attributable to unrestricted funds.

8. NET INCOME/EXPENDITURE OF THE PARENT CHARITABLE COMPANY

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent Charitable Company is not presented as part of these financial statements. The parent Charitable Company's net incoming resources was £616,154 (2024: £1,261,634 incoming resources).

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

9. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES COSTS

	Direct Costs	Direct Staff Costs	Support Costs (see note 10)	31.3.25 Total Charitable Activities	31.3.24 Total Charitable Activities
	£	£	£	£	£
Leisure, recreation and health activities	4,840,434	4,716,808	555,287	10,112,529	9,155,147

£8,810 (2024: £40,857) of the above costs were attributable to restricted funds and £10,106,875 (2024: £9,114,290) of the above costs were attributable to unrestricted funds.

10. SUPPORT COSTS

Support costs, included in the above, are as follows:

	31.3.25 Operation of leisure, recreation sites and health activities	31.3.24 Operation of leisure, recreation sites and health activities
	£	£
External support services	-	-
Advertising & marketing	87,907	44,927
Office administration	136,083	133,971
Consultancy	20,765	9,548
Training	5,269	3,802
Finance costs	88,453	90,470
Governance costs	55,014	36,202
Other support costs	161,796	153,623
	555,287	472,543

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and health services.

11. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/ (crediting):

	31.3.25	31.3.24
	£	£
Hire of equipment	-	5,190
Depreciation	209,253	188,780
Amortisation	4,681	15,647
Auditors' remuneration	24,320	21,900
Auditors' remuneration for non-audit work	5,655	5,350

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

12. TRUSTEES' REMUNERATION AND BENEFITS

Staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff and not in respect of their services as trustees. Other trustees did not receive any payments from the Trust in respect of their roles as trustees.

The value of trustees' remuneration (Gross salary, employer's NI, employer's pensions) was as follows:

J Finch (Staff trustee):
Remuneration: £25,001 - £30,000 (2024: £20,001 - £25,000)
Employer's pension contributions: £0 - £5,000 (2024: £0 - £5,000)

Trustees' Expenses

	31.3.25 £	31.3.24 £
Trustees' expenses	30	-

13. STAFF COSTS

	31.3.25 £	31.3.24 £
Company		
Wages and salaries	4,180,215	3,805,496
Social security costs	225,625	194,920
Defined contribution pension costs	310,968	210,714
Redundancy and severance payments	-	18,613
	4,716,808	4,229,743
Subsidiary		
Wages and salaries	166,395	142,616
Social security costs	13,090	9,975
Other pension costs	11,351	8,135
	190,836	160,726
	4,907,644	4,390,469

There were no redundancies in the year totalling £nil (2024: £18,613).

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

31.3.25	31.3.24
486	404

The total amount of employee benefits received by key management personnel was £531,933 (2024: £478,780). The Charitable Company considers its key management personnel to be the Chief Executive, Finance Director, Operations Director, HR Executive, Business Development Manager, two Operations Managers and staff trustees.

The number of employees whose emoluments fell within the following bands was:

	31.3.25	31.3.24
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
	2	2

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

13. STAFF COSTS - continued

The number of employees earning in excess of £60,000 (for the year) to whom retirement benefits are accruing:

	31.3.25	31.3.24
	2	2

14. TAXATION

The Charitable Company paid no corporation tax during the year. Provisions for £18,991 (2024: £11,642) have been made at 31 March 2025 for corporation tax due in respect of the surplus from trading activities recorded in the year ended 31 March 2025. During the year ended 31 March 2025 all trading activities were conducted by the wholly owned subsidiary, South Downs Leisure Enterprises Limited.

South Downs Leisure Enterprises Limited has provisions included of £5,593 (2024: £25,124) in respect of deferred taxation and a corporation tax creditor of £18,991 (2024: £11,642) in respect of corporation tax payable on profits relating to trading income. The analysis of the tax charge on the profit for the year was as follows:

	31.3.25	31.3.24
	£	£
Current tax:		
UK corporation tax	18,991	11,642
Under provision of corporation tax in the prior year	3,988	-
Deferred taxation movement	(19,531)	7,415
Tax on trading profit	3,448	19,057

15. INTANGIBLE FIXED ASSETS

Group and company

	Computer software
	£
COST	
At 1 April 2024	111,871
Additions	-
Disposals	-
At 31 March 2025	111,871
AMORTISATION	
At 1 April 2024	107,190
Charge for year	4,681
Eliminated on disposal	-
At 31 March 2025	111,871
NET BOOK VALUE	
At 31 March 2025	-
At 31 March 2024	4,681

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

16. TANGIBLE FIXED ASSETS

Group

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2024	867,066	665,061	114,503	1,646,630
Additions	82,590	58,281	-	140,871
Disposals	(40,490)	-	-	(40,490)
At 31 March 2025	909,166	723,342	114,503	1,747,011
DEPRECIATION				
At 1 April 2024	571,581	406,470	113,133	1,091,184
Charge for year	121,865	86,292	1,096	209,253
Eliminated on disposal	(40,490)	-	-	(40,490)
At 31 March 2025	652,956	492,762	114,229	1,259,947
NET BOOK VALUE				
At 31 March 2025	256,210	230,580	274	487,064
At 31 March 2024	295,485	258,591	1,370	555,446

Company

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2024	867,066	426,973	114,503	1,408,542
Additions	82,590	42,571	-	125,161
Disposals	(40,490)	-	-	(40,490)
At 31 March 2025	909,166	469,544	114,503	1,493,213
DEPRECIATION				
At 1 April 2024	571,581	263,190	113,133	947,904
Charge for year	121,862	77,609	1,096	200,567
Eliminated on disposal	(40,490)	-	-	(40,490)
At 31 March 2025	652,953	340,799	114,229	1,107,981
NET BOOK VALUE				
At 31 March 2025	256,213	128,745	274	385,232
At 31 March 2024	295,485	163,783	1,370	460,638

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

17. FIXED ASSET INVESTMENTS

Company

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

There were no investment assets outside the UK.

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

South Downs Leisure Enterprises Limited (company number 09261501)
Nature of business: Operation of an events venue

Class of share:	% holding
Ordinary	100

	31.3.25	31.3.24
	£	£
Aggregate capital and reserves	343,524	266,105
Total Profit/(Loss) for the year	77,419	33,176

18. STOCKS

	Group		Company	
	31.3.25	31.3.24	31.3.25	31.3.24
	£	£	£	£
Stocks	67,338	46,980	67,338	46,980

Stock amounts recognised within expenditure for the current period are £463,433 (2024: £497,890).

19. DEBTORS

	Group		Company	
	31.3.25	31.3.24	31.3.25	31.3.24
	£	£	£	£
Trade debtors	203,119	162,993	122,979	138,646
Other debtors	34,262	39,240	34,262	39,240
VAT	-	32,176	-	32,176
Prepayments and accrued income	192,486	184,786	178,819	169,035
Amounts owed by group undertakings	-	-	-	134,249
	429,867	419,195	336,060	513,346

20. CURRENT ASSET INVESTMENTS

	Group		Company	
	31.3.25	31.3.24	31.3.25	31.3.24
	£	£	£	£
Short term deposit account	2,000,000	1,000,000	2,000,000	1,000,000

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

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.25	31.3.24	31.3.25	31.3.24
	£	£	£	£
Trade creditors	186,987	174,194	180,136	165,197
Social security and other tax	18,991	11,642	-	-
Other creditors	115,414	5,758	115,414	5,758
Accrued expenses	1,120,082	1,105,561	1,112,010	1,105,561
Deferred income	315,574	252,432	134,817	133,460
VAT	5,667	-	5,667	-
Amounts due to group undertakings	-	-	295,357	-
	1,762,715	1,549,587	1,843,401	1,409,976

The Charitable Company has entered into forward contracts to purchase utilities in the future at a contracted rate.

The forward contracts relate to periods which span from April 2025 to April 2029 and the purchases of utilities that the forward contracts relate to also span from April 2025 to April 2029. The fair value of these forward contracts at the balance sheet date is included within other creditors.

The whole change in the fair value of the forward contracts has been recognised in Other Comprehensive Income at the year end. No amounts were reclassified from equity to income and expenditure.

Deferred Income

	Group		Company	
	31.3.25	31.3.24	31.3.25	31.3.24
	£	£	£	£
Deferred income at the start of the year	252,432	292,840	133,460	134,598
Deferred during the period	315,574	252,432	134,817	133,460
Amounts released to income from prior periods	(252,432)	(292,840)	(133,460)	(134,598)
Deferred income at the end of the year	315,574	252,432	134,817	133,460

Deferred income at 31 March 2025 for the Charitable Company represents annual leisure membership income and hires, where the consideration has been received in the year ended 31 March 2025 but the services were only provided following the year end. The Group deferred income also includes venue hire income under the same principles.

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.25	31.12.24	31.12.25	31.12.24
	£	£	£	£
Deferred taxation	5,593	25,124	-	-
	5,593	25,124	-	-

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

23. OPERATING LEASE COMMITMENTS

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	31.3.25	31.3.24
Due < 1 year	-	-
Due 1-2 years	-	-
Due 2-5 years	-	-
	-	-

Operating lease amounts recognised within expenditure for the current period are £nil (2024: £5,190).

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Unrestricted funds	Restricted funds	31.3.25 Total funds	31.3.24 Total funds
	£	£	£	£
Fixed Assets	487,064	-	487,064	560,127
Current Assets	4,542,539	590	4,543,129	3,582,896
Current Liabilities	(1,768,308)	-	(1,768,308)	(1,574,711)
Long Term Liabilities	-	-	-	-
	3,261,295	590	3,261,885	2,568,312

Company

	Unrestricted funds	Restricted funds	31.3.25 Total funds	31.3.24 Total funds
	£	£	£	£
Fixed Assets	385,232	-	385,232	465,319
Investment	1	-	1	1
Current Assets	4,375,940	590	4,376,530	3,246,863
Current Liabilities	(1,843,401)	-	(1,843,401)	(1,409,976)
Long Term Liabilities	-	-	-	-
	2,917,772	590	2,918,362	2,302,207

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

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	Unrestricted funds	Restricted funds	31.3.24 Total funds	31.3.23 Total funds
			£	£
Fixed Assets	560,127	-	560,127	551,023
Current Assets	3,578,134	4,762	3,582,896	2,577,459
Current Liabilities	(1,574,711)	-	(1,574,711)	(1,854,980)
Long Term Liabilities	-	-	-	-
	2,563,550	4,762	2,568,312	1,273,502

Company	Unrestricted funds	Restricted funds	31.3.24 Total funds	31.3.23 Total funds
	£	£	£	£
Fixed Assets	465,319	-	465,319	457,519
Investment	1	-	1	1
Current Assets	3,242,101	4,762	3,246,863	2,242,086
Current Liabilities	(1,409,976)	-	(1,409,976)	(1,659,032)
Long Term Liabilities	-	-	-	-
	2,297,445	4,762	2,302,207	1,040,574

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

25. MOVEMENT IN FUNDS

Group	At 1.4.24	Net movement in funds	At 31.3.25
Unrestricted funds			
General	266,105	77,419	343,524
Designated - Worthing Risk Reserve	891,000	-	891,000
Designated - Worthing Business Improvement Reserve	1,034,944	363,981	1,398,925
Designated - Worthing Palatine Park	(4,599)	189	(4,410)
Designated - Adur Business Improvement Reserve	174,534	214,821	389,355
Designated - Sea Lanes Risk Reserve	125,000	5,000	130,000
Designated - Sea Lanes Business Improvement Reserve	76,566	148,305	224,871
Designated - Palatine Park Sinking Fund	-	-	-
Designated cashflow hedge	-	(111,970)	(111,970)
	2,563,550	697,745	3,261,295
Restricted funds			
Restricted funds	4,762	(4,172)	590
TOTAL FUNDS	2,568,312	693,573	3,261,885

Company	At 1.4.24	Net movement in funds	At 31.3.25
Unrestricted funds			
Designated - Worthing Risk Reserve	891,000	-	891,000
Designated - Worthing Business Improvement Reserve	1,034,944	363,982	1,398,926
Designated - Worthing Palatine Park	(4,599)	189	(4,410)
Designated - Adur Business Improvement Reserve	174,534	214,821	389,355
Designated - Sea Lanes Risk Reserve	125,000	5,000	130,000
Designated - Sea Lanes Business Improvement Reserve	76,566	148,305	224,871
Designated - Palatine Park Sinking Fund	-	-	-
Designated cashflow hedge	-	(111,970)	(111,970)
	2,297,445	620,327	2,917,772
Restricted funds			
Restricted funds	4,762	(4,172)	590
TOTAL FUNDS	2,302,207	616,155	2,918,362

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

25. MOVEMENT IN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	At 1.4.23	Net movement in funds	At 31.3.24
Unrestricted funds			
General	234,921	31,184	266,105
Designated - Worthing Risk Reserve	891,000	-	891,000
Designated - Worthing Business Improvement Reserve	659,051	375,893	1,034,944
Designated - Worthing Palatine Park	4,414	(9,013)	(4,599)
Designated - Adur Business Improvement Reserve	-	174,534	174,534
Designated - Sea Lanes Risk Reserve	-	125,000	125,000
Designated - Sea Lanes Business Improvement Reserve	-	76,566	76,566
Designated - Palatine Park Sinking Fund	-	-	-
Designated cashflow hedge	(556,113)	556,113	-
	1,233,273	1,330,277	2,563,550
Restricted funds			
Restricted funds	40,229	(35,467)	4,762
TOTAL FUNDS	1,273,502	1,294,810	2,568,312

Company	At 1.4.23	Net movement in funds	At 31.3.24
Unrestricted funds			
Designated - Worthing Risk Reserve	891,000	-	891,000
Designated - Worthing Business Improvement Reserve	661,044	373,900	1,034,944
Designated - Worthing Palatine Park	4,414	(9,013)	(4,599)
Designated - Adur Business Improvement Reserve	-	174,534	174,534
Designated - Sea Lanes Risk Reserve	-	125,000	125,000
Designated - Sea Lanes Business Improvement Reserve	-	76,566	76,566
Designated - Palatine Park Sinking Fund	-	-	-
Designated cashflow hedge	(556,113)	556,113	-
	1,000,345	1,297,100	2,297,445
Restricted funds			
Restricted funds	40,229	(35,467)	4,762
TOTAL FUNDS	1,040,574	1,261,633	2,302,207

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

25. MOVEMENT IN FUNDS – continued

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	686,932	(609,513)	-	77,419
Designated - Worthing Risk Reserve	-	-	-	-
Designated - Worthing Business Improvement Reserve	6,673,570	(6,306,701)	(2,888)	363,981
Designated - Worthing Palatine Park	83,613	(59,335)	(24,089)	189
Designated - Adur Business Improvement Reserve	2,935,817	(2,715,848)	(5,148)	214,821
Designated - Sea Lanes Risk Reserve	-	-	5,000	5.000
Designated - Sea Lanes Business Improvement Reserve	1,116,171	(969,991)	2,125	148,305
Designated - Palatine Park Sinking Fund	-	(25,000)	25,000	-
Designated cashflow hedge	-	(111,970)	-	(111,970)
	11,496,103	(10,798,358)	-	697,745
Restricted funds				
Restricted funds	4,638	(8,810)	-	(4,172)
TOTAL FUNDS	11,500,741	(10,807,168)	-	693,573

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated - Worthing Risk Reserve	-	-	-	-
Designated - Worthing Business Improvement Reserve	6,673,570	(6,306,700)	(2,888)	363,982
Designated - Worthing Palatine Park	83,613	(59,335)	(24,089)	189
Designated - Adur Business Improvement Reserve	2,935,817	(2,715,848)	(5,148)	214,821
Designated - Sea Lanes Risk Reserve	-	-	5,000	5.000
Designated - Sea Lanes Business Improvement Reserve	1,116,171	(969,991)	2,125	148,305
Designated - Palatine Park Sinking Fund	-	(25,000)	25,000	-
Designated cashflow hedge	-	(111,970)	-	(111,970)
	10,809,171	(10,188,844)	-	620,327
Restricted funds				
Restricted funds	4,638	(8,810)	-	(4,172)
TOTAL FUNDS	10,813,809	(10,197,654)	-	616,155

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

25. MOVEMENT IN FUNDS – continued

Comparative information in respect of the preceding period is as follows

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	686,359	(653,183)	(1,992)	31,184
Designated - Worthing Risk Reserve	-	-	-	-
Designated - Worthing Business Improvement Reserve	6,146,189	(6,189,372)	419,076	375,893
Designated - Worthing Palatine Park	67,559	(76,572)	-	(9,013)
Designated - Adur Business Improvement Reserve	2,619,921	(2,003,303)	(442,084)	174,534
Designated - Sea Lanes Risk Reserve	-	-	125,000	125,000
Designated - Sea Lanes Business Improvement Reserve	1,021,609	(820,043)	(125,000)	76,566
Designated - Palatine Park Sinking Fund	-	(25,000)	25,000	-
Designated cashflow hedge	556,113	-	-	556,113
	11,097,750	(9,767,473)	-	1,330,277
Restricted funds				
Restricted funds	5,390	(40,857)	-	(35,467)
TOTAL FUNDS	11,103,140	(9,808,330)	-	1,294,810

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated - Worthing Risk Reserve	-	-	-	-
Designated - Worthing Business Improvement Reserve	6,146,189	(6,189,373)	417,084	373,900
Designated - Worthing Palatine Park	67,559	(76,572)	-	(9,013)
Designated - Adur Business Improvement Reserve	2,619,921	(2,003,303)	(442,084)	174,534
Designated - Sea Lanes Risk Reserve	-	-	125,000	125,000
Designated - Sea Lanes Business Improvement Reserve	1,021,609	(820,043)	(125,000)	76,566
Designated - Palatine Park Sinking Fund	-	(25,000)	25,000	-
Designated cashflow hedge	556,113	-	-	556,113
	10,411,391	(9,114,291)	-	1,297,100
Restricted funds				
Restricted funds	5,390	(40,857)	-	(35,467)
TOTAL FUNDS	10,416,781	(9,155,148)	-	1,261,633

25. MOVEMENT IN FUNDS – continued

Green Dreams (Worthing)
This funding relates to Green Dreams Festival, an event showcasing local community, social enterprise groups and greenspace initiatives.

Palatine Park Sinking Fund
From 1 April 2022 a sinking fund will be set aside by SDL payable to the local authority in respect of Palatine Park. Commencing on 31 March 2023 and every year thereafter SDL shall accrue funds to the sum of £25,000.

On termination of the deed, the lease, and the agreement, SDL have no claim over the sinking fund and the football development fund.

In the year, costs were accrued to the value of £25,000 (2024: £25,000), in respect of this sinking fund.

The total value of the accrual being carried forward in the accounts is £75,000 (2024: £50,000).

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

26. CAPITAL COMMITMENTS

	Group		Company	
	31.3.25	31.3.24	31.3.25	31.3.24
	£	£	£	£
Contracted for but not provided for in the financial statements	-	-	-	-

27. LEGAL STATUS

The Charity is a Company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

28. RELATED PARTY TRANSACTIONS

During the previous year South Downs Leisure engaged in services from Inspace Fitness Limited, a company in which Phillip Griffin, a trustee until his resignation from the board on 1 February 2024, is a director. £nil (2024: £77,912 + VAT) was invoiced for gym equipment. As at 31 March 2025, South Downs Leisure owed £nil (2024: £nil) to Inspace Fitness Limited.

During the year the South Downs Leisure Group received income from a related party, Mark Byerley (Operations Director). The income relates to the rent of a property owned by the trust, with sales coming to £5,400 (2024: £5,400). There was £nil (2024: £nil) owed to the group at the year end.

South Downs Leisure Enterprises Limited

During the year costs were recharged to South Downs Leisure Enterprises for wages, rent, management charges and VAT. As at 31 March 2025 South Downs Leisure Enterprises was owed £295,357 from the parent (2024: £ nil). The parent company was owed £nil (2024: £134,249) from the subsidiary as at 31 March 2025.

29. BANK BORROWINGS AND SECURITY

Lloyd's Bank PLC has a fixed & floating charge over all property of the subsidiary company, South Downs Leisure Enterprises Limited. This secures any potential future bank borrowings.

SOUTH DOWNS LEISURE

England & Wales - Charity number 1163564

Accounts

REGISTERED COMPANY NUMBER: 9204269 (England and Wales)
REGISTERED CHARITY NUMBER: 1163564

REPORT OF THE TRUSTEES AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 FOR SOUTH DOWNS LEISURE GROUP (A COMPANY LIMITED BY GUARANTEE)

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

Chair's statement

I am delighted to present the financial statements for South Downs Leisure, highlighting the remarkable achievements and milestones we have reached in the year 2023-2024. This past year has been transformative as we continued to expand our services, promote inclusivity, and deepen our commitment to environmental sustainability.

Community Impact and Engagement

One of the most significant indicators of our success this year has been the 1.4 million visits across our facilities. This impressive figure speaks to the vibrant, engaged community we serve and reflects the wide array of high-quality services and programmes we offer. Our organisation remains committed to supporting individuals and improving the well-being of those most in need. Over the past 18 months, we have provided free three-month memberships to over 700 individuals, helping them enhance their physical health, mental well-being, and overall quality of life.

Our focus on the next generation is equally strong, with over 3,000 children participating in our swimming programme this year, an essential life skill that ensures their safety in our seaside towns. In addition, we provided 24 free swimming places through our Aqua School programme, supporting children from low socio-economic backgrounds. Our goal is to foster confidence and competence in water safety for all.

Performance Against Business Plan Targets

We are proud to report that we have met or exceeded our Business Plan targets across several key areas:

Customer Experience: With an average NPS score of 35%, we have maintained high levels of customer satisfaction. Additionally, we developed and began delivering two new customer care courses to ensure our staff continues to provide excellent service.

Finance: The successful insourcing of payroll in May 2024, alongside the move to paperless payslips and timesheets, was a key financial achievement. Additionally, we exceeded expectations by delivering a surplus across all our contracts.

Staff Development: Our partnership with training provider Ian Hitt resulted in the development of seven new training courses, which are now being rolled out.

Health & Safety: We aimed for an 80% average score across our facilities in Health & Safety audits and we can confirm that our average score was 90%.

IT: The website overhaul is nearing completion, with launch planned for late 2024, and we are also excited to introduce gamification to our SDL App around the same time.

Sales & Fitness: We exceeded our membership target, averaging 14,115 members (17% growth), and kept attrition below 5%, with an average of 4.75%. Our yield per member also surpassed the goal, reaching £35.82 per month.

Sustainability: While the rollout of a company-wide sustainability induction has faced challenges, we do intend to introduce this over the next year. We introduced an Environmental Management System in collaboration with Right Directions and have taken huge strides in improving our recycling, which included introducing a re-cycle bike to work scheme, supporting staff on the living wage that are not able to benefit from the national cycle to work scheme.

Health & Wellbeing: A comprehensive Health & Wellbeing plan is in development and will be a key pillar of our strategy from 2025 onwards. We have also initiated partnerships with public health bodies to promote prevention and prehabilitation in our communities.

Enterprise and Facilities Development

Our subsidiary, South Downs Leisure Enterprises Ltd., had a successful year, with corporate hospitality experiencing strong demand. Field Place won the prestigious "Best Events Team" at The Wedding Industry Awards, and we have trained two staff members as Celebrants, a new and increasingly popular service.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

Sea Lanes, our National Open Water Swimming Centre in Brighton, opened in June 2023 and has seen over 90,000 visitors in less than a year. This facility has not only contributed positively to the Charity's financial performance but also provided a platform for numerous charity events.

We continue to invest back into our facilities and have invested over £800,000 over the past two years, from new gym equipment to refurbished changing rooms.

Future Outlook
Looking ahead, we are committed to reinvesting in our facilities to ensure that we continue to grow and enhance our services. A major investment in Worthing Leisure Centre is planned, aimed at expanding group exercise and gym space while redesigning our soft play areas to better meet user needs.

Our capital programme targets carbon neutrality at our dry facilities by 2030. Achieving this will require substantial investment but will secure long-term utility protection and position South Downs Leisure as a leader in sustainability.

Finally, we are preparing to write a new five-year strategy, with a significant focus on Health & Wellbeing. This strategy will emphasise prevention and public health partnerships, ensuring that we remain at the forefront of community health support.

In conclusion, 2023-2024 has been a year of growth, innovation, and deepened community engagement for South Downs Leisure. As we look to the future, we remain committed to enhancing well-being, promoting inclusivity, and leading in sustainability.

Thank you for your continued support and dedication to South Downs Leisure.

Paula Newton
Chair of Trustees

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees, who are also Directors of the Charitable Company for the purposes of the Companies Act 2006, present their report together with the financial statement of South Downs Leisure Limited (the charity) and its subsidiary for the year ended 31 March 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

REFERENCE & ADMINISTRATIVE DETAILS

Name of charity
South Downs Leisure

Name of subsidiary
South Downs Leisure Enterprises Ltd

Charity and company registration
South Downs Leisure 09204269
South Downs Leisure Enterprises Ltd 09261501
Charity number 1163564

Registered office
Field Place Manor House, The Boulevard, Worthing, West Sussex BN13 1NP
Telephone and website
01903 905050
www.southdownsleisure.co.uk
The charity and its subsidiaries operate from multiple locations, the addresses of which can be found on the website above.

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

Bank
Lloyds Banking Group
City Office
PO Box 72, Bailey Drive, Gillingham Business Park, Gillingham ME8 0L

Solicitors
Joanna Bussell
Winckworth Sherwood
Minerva House, 5 Montague Close, London SE1 9BB

Chief Executive Officer
Duncan Anderson

Trustees	Appointed	Resigned
P Newton (Chair)	24 August 2020	
J Marshall (Vice Chair)	1 February 2023	
J Lawrence-Hall	5 February 2015	11 March 2024
A Fleetwood	1 July 2019	
R Ramdin (Chair)	16 October 2019	18 March 2024
P Griffin	24 August 2020	1 February 2024
P Greenwood-Pearsons	22 October 2021	
A Turner	28 April 2022	
J Finch	3 February 2023	
R Garner	1 August 2023	
H Schan	1 August 2023	5 June 2024
S Redman	18 March 2024	
G Cronin	4 April 2024	

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

South Downs Leisure is a charitable company limited by guarantee constituted on 4 September 2014 and governed by articles and memorandum of association.

Charitable status was applied following the incorporation of the Trust and was awarded shortly after the Trust commenced trading on 1 May 2015. The trustees are also directors of the charity for the purposes of the Companies Act.

The charity has a wholly owned trading subsidiary, South Downs Leisure Enterprises Ltd which is used to support the activities of the Trust.

Recruitment and Appointment of Trustees

Unless otherwise determined by the company, the Board shall consist of at least three and not more than eleven individuals comprised as follows:

- Up to 8 Community Trustees
- Up to 2 Local Authority Trustees
- Up to 1 Employee Trustee

Community Trustees will always be a majority on the Board.

New community Trustees are recruited in accordance with the Board's agreement and with our Articles of Association. We will always look to complement and strengthen the skills and experience of the Trustee team on the Board. Community Trustees are appointed for three years with membership being reviewed annually. Recruitment of the employee Trustee was initially by appointment by the senior management team in accordance with the Articles of Association but from 2016 this was changed to election by employees as agreed by the Board. The Local Authority, Worthing Borough Council, confirms its nominations and appointments as and when Local Authority vacancies arise.

Training of Trustees

All new Trustees receive an induction from the CEO and meet the Chair. During 2023 we conducted a training session for all our trustees on governance and scrutiny, which also involved the Executive team. We also held two strategy planning away days and have plans to do a team building session with the trustees in the New Year.

Organisational Structure

The current Board consists of seven community Trustees providing a range of experience and professional expertise.

Paula Newton is Chair and James Marshall is vice Chair.

We have three subgroups which meet throughout the year to support the Board:

Finance
Andrew Fleetwood, Penelope Greenwood-Pearsons, James Marshall

People and Governance
Joanne Lawrence Hall, Paula Newton, Jennifer Finch

Remuneration
Rachel Ramdin, Andrew Fleetwood

Enterprise Directors
Joanne Lawrence Hall, Penelope Greenwood-Pearsons, Paula Newton, Duncan Anderson

We held the following meetings for the period ended 31 March 2024:

- 5 x Board meetings
- 4 x Finance meetings
- 4 x People and Governance meetings
- 4 x Enterprise meetings
- 2 x Remuneration meetings

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

South Downs Leisure Trustees
Kris von Habsburg (Chair) – retired June 2022
Rachel Ramdin (Chair) – retired March 2024
Paula Newton (Chair)
Joanne Lawrence Hall – retired March 2024
Andrew Fleetwood
Phill Griffin – retired February 2024
Penelope Greenwood-Pearsons
Amanda Turner
James Marshall (Vice Chair)
Jennifer Finch (Staff Trustee)
Rita Garner
Hillary Schan
Stephen Redman
Gerard Cronin

To facilitate the effective operation of the Charity the Board has delegated the responsibility of administering the Charity to a Senior Management Team:

- Chief Executive Officer
- Finance Director
- Operations Director
- Group Business Development Manager
- Human Resources Executive

OBJECTIVES AND ACTIVITIES

Objectives and Activities
The objectives of the charitable company are:

- To provide or assist in the provision of both outdoor and indoor facilities in the interest of social welfare for recreation or other leisure time occupation of individuals who have need of such reason by their youth, age, infirmity or disability, financial hardship, or social circumstances or to the public at large with the object of improving their conditions of life, and/or
- To promote community participation in healthy recreational activities, and/or
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures, and classes and/or other forms of recreation and leisure time occupation with the object of improving the condition of life for all those who use the facilities, and/or
- To promote the education of the public through the provision of facilities for the provision of performing arts, and/or such other charitable purposes as the Trustees in their absolute discretion may determine.

In the furtherance of its principles the charity provides health and leisure facilities for the public benefit.

Public Benefit
The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. We have referred to this guidance when reviewing our business plan and planning new activities for the future.

Our Vision and Mission
The Trust established a Vision, Mission Statement and Values outlined below, with our Vision reflecting the UK Active National agenda.

OUR VISION
More People, More Active, More Often.

MISSION
To deliver an inclusive range of health and wellbeing initiatives whilst providing a clean, safe, and happy leisure experience.

OBJECTIVES AND ACTIVITIES – continued

OUR VALUES

Integrity
We will be open, honest, and friendly when communicating with customers and partners, treating everyone with respect.

Equality, diversity, and inclusion
We aim to ensure that the opportunities the Trust provides are accessible, are available on a non-discriminatory basis and provide maximum health and wellbeing benefits for all.

Continuous Improvement
We will strive to make the experience of users and visitors better by continually reviewing our activities and procedures.

Partnership working
We will develop and sustain strong and effective partnerships with local and national organisations in pursuit of our vision: More People, More Active, More Often.

Innovation
We will explore the introduction of new products and services, driven by technology, industry research and best practice.

Staffing
We will ensure that all our staff are professionally qualified and/or appropriately trained to deliver the service required and respond effectively and quickly to customer enquiries.

Environmental awareness
We will endeavour to be an environmentally conscious organisation and will continually review our services to ensure best practice.

A Strong Board
Selection and recruitment of the Board was planned with a clear vision to provide a good range of interested, articulate and passionate volunteers with a strong mix of experience, age, and gender. The Board has developed a deep understanding of the aims of the Trust and provide strong, but challenging, support and guidance.

Executive Management Team
The Exec Management Team is led by the Chief Executive and includes, Finance Director, Operations Director, Group Business Development Manager, Group Facility Manager Worthing, Group Facility Manager Adur and the HR Executive. Below this we have a Senior Management team.

A number of subgroups were held throughout the year to ensure the delivery of the business plan.

Remuneration policy for key management personnel
A remuneration committee is in place for future review of remuneration for key management personnel. Historically all changes in grade have been passed by the HR/People and Governance subgroup. Cost of living increases are passed by the Board.

Training
We are committed to understanding the sector we operate in and the local and national agenda. To achieve this, we must ensure staff have every opportunity to attend conferences and seminars and attend Continuous Professional Development courses.

We have committed to funding CIMSPA membership, which is our Chartered Institute. We have been able to take advantage of several free courses through CIMSPA in addition to other external and internal training.

We are committed to maintaining this budget for the future and looking to continue with the mentoring scheme and management training on alternate years.

OBJECTIVES AND ACTIVITIES – continued

Workforce Make Up

The total workforce at the time of TUPE was 367 employees. The total workforce number does fluctuate monthly by approx. 25 employees due to two factors; seasonal variations around busy/school holiday periods and taking off the casual employees who have not worked within the organisation for the last three months which is an Inland Revenue requirement.

Our Board, Exec and SMT teams consist of 11 males and 25 females from a good mix of age ranges.

	Male	Female	23-35	36-45	46-55	56-65
BOARD	3	8	0	4	4	3
EXECUTIVE TEAM	3	5	0	2	2	4
SENIOR MANAGEMENT TEAM	5	12	3	5	6	3
TOTAL BOARD & MANAGEMENT	**11**	**25**	**3**	**11**	**12**	**10**

Gender Pay Gap Reporting

On 6 April 2017, new regulations came into force requiring organisations with 250 or more employees to publish annual reports containing detailed information regarding the Gender Pay Gap (including bonus pay) between men and women across their workforce.

Gender Pay Gap - March 2023	MALE				FEMALE			
	Number	Mean	Median	%	Number	Mean	Median	%
Whole Organisation	171	12.39	9.37	0.31	386	14.97	12.97	0.69
Upper Quartile	22	24.36	23.71	0.16	118	23.41	23.71	0.84
Upper Middle Quartile	40	15.7	14.38	0.29	99	15.39	12.97	0.71
Lower Middle Quartile	59	9.24	9.37	0.42	80	9.1	8.91	0.58
Lower Quartile	50	8.19	8.36	0.36	89	8.6	8.91	0.64
	171	**69.88**	**65.19**	**1.54**	**386**	**71.47**	**67.47**	**3.46**

In summary we are proud to report that there continues to be a fair balance of pay rates between male and female employees across the organisation.

STAFF PROFILES

August 2024	Number	Percentage
Total number of employees	493	
Total number of posts	897	
* Number of employees with impairments or disabilities	26	5.27%
** Number of employees of an ethnic minority	18	3.65%

* 23 employees declared themselves as having impairments on the 2023 Staff Survey. The 23 were from a pool of 140 that completed the staff survey which equates to 16%.
** Ethnic Minorities is inclusive of anyone who has disclosed themselves as not being white British.

We continue to use fair recruitment practices and ensure open and transparent processes to encourage all interested parties to apply for roles.

We are proud that we have retained the Disability Confident Employer (Level 2) and have taken part in the EmployAbility scheme to assist disabled people into the leisure workforce.

The annual Community Leisure UK HR Staff Survey is used to benchmark staff salaries. This has been used by the People and Governance and Finance sub-committees to set the cost of living increase each year, along with ensuring roles are being paid at a competitive rate

OBJECTIVES AND ACTIVITIES – continued

Continuous Improvement

A key to the success of South Downs Leisure is in the desire to improve, reinvest and be at the forefront of new initiatives. We actively support CIMSPA membership (the Chartered Institute for the Management of Sport and Physical Activity) with the senior management team being members. We also work closely with Community Leisure UK attending regular calls and conferences.

Please see table below detailing the historical performance monitors since SDL was formed and the status of current audits. Both SPLC and LLC have also been through QUEST assessment this year.

Audits	2017/18	2018/19	2019/20	2021/22	2022/23	2023/24
H&S Audit Worthing	91%	91%	90%	87%	88%	91%
H&S Audit Splashpoint	93%	87%	91%	90%	85%	91%
H&S Audit Field place	94%	93%	94%	91%	92%	93%
H&S Audit Davison	86%	87%	92%	86%	90%	92%
H&S Audit Lancing	N/A	N/A	N/A	84%	82%	86%
H&S Audit Southwick	N/A	N/A	N/A	81%	83%	86%
H&S Audit Wadurs	N/A	N/A	N/A	85%	89%	89%
NPS Adur	N/A	N/A	N/A	55%	36%	
NPS Worthing	39%	39%	41%	49%	45%	

	on target
	<15%
	>15%

CUSTOMER SATISFACTION

South Downs Leisure recognises that the customer is at the heart of the business and continually monitors satisfaction ratings using the "Net Promoter Score" system. NPS is a management tool that can be used to gauge the loyalty of an organisation's customer relationships. It serves as an alternative to traditional customer satisfaction research and has been adopted by more than two thirds of Fortune 1,000 companies as well as many of the leisure industry providers.

We have continued to actively seek feedback from customers, and this has continued through introducing this via our app. All feedback is reviewed and actioned by the relevant teams.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE

We have achieved external recognition from Active Sussex winning the 'sustainable business of the year' which is great recognition of our continued work in this area. Our teams have continued to work in the community offering free memberships to people in need totalling 748, offering CPR lifesaving sessions and increase our GP referral scheme to 220 participants. 11,000+ volunteer hours have been assigned across our sites along with another successful Green Dreams festival and our drop and Shop Christmas event.

Despite the pressures affecting all business we have continued to grow our membership to over 15,000 and have seen continued growth in all areas. As a result, we have been able to continue our development of sites and a few examples are listed below:

- Converted a squash court at Lancing to a spinning studio
- Upgraded replacement spinning bikes at SPLC
- Toilet and changing refurbishment at Southwick LC
- Access control upgrades at Lancing and Southwick LC

In line with our Objects, we achieved many things in our business plan, see page 1. Directly in line with this we looked at the social groups needing support and continued to review our offering:

- We now offer junior memberships up to age 25. This attempts to capture the point where parents no longer pay for their children who are less likely to afford adult membership prices due to earning low wages.
- We provide free memberships for Care Leavers, Refugees and Homeless, and Low-Income Families. These are groups who are often neglected and where a membership can give the feeling of inclusion and community where this may not be felt elsewhere. The feedback we have received for these schemes has reinforced how important these schemes can be.
- The Phoenix Club is specifically for the over 50s and provides friendship, leisure activities, choir, speakers, Christmas pantomime and lunches. This has retained an enthusiastic membership for many years.
- Disability Days have also proved very popular for disabled children and their families. These involve fun activities and crafts.

SDL is keen to promote community participation in healthy recreational activities, one of these is the Filipino sports days which are held at Davison Leisure Centre. This has increased from one evening to entire weekends and now includes activities for the whole family.

Provision of community facilities for varied activities has covered many groups:

- Drop, swap and shop – our Christmas offering to enable people to swap good condition toys or to buy was extremely popular last year. This enabled struggling families to provide Christmas gifts for their children without the expense.
- Paranormal group – this is a special interest group which hires Field Place Manor House to carry out their investigations.
- Worthing College Employability Day has been held a few times now. This is held by the college and SDL staff to give pupils the experience of being interviewed and receiving feedback and tips.
- SID Youth hang out is a club for young people to provide activities and community.
- First Aid CPR skills courses were run for free for the public.

Education of the public through provision of performing arts is addressed by:

- Green Dreams Community Food and Greenspaces Festival where many groups come together, including a ukulele band. This has been supported at Field Place for a number of years but, in addition, is now also being supported by SDL in Lancing.
- A local theatre group use SDL both for rehearsals and performances.

Link to Social Impact Report for more information: South Downs Leisure Social Imapct Report 2024

Customer Experience: With an average NPS score of 35%, we have maintained high levels of customer satisfaction. Additionally, we developed and began delivering two new customer care courses to ensure our staff continues to provide excellent service.

Health & Safety: We aimed for an 80% average score across our facilities in Health & Safety audits and we can confirm that our average score was 90%.

ACHIEVEMENTS AND PERFORMANCE - continued

Finance: The successful insourcing of payroll in May 2024, alongside the move to paperless payslips and timesheets, was a key financial achievement. Additionally, we exceeded expectations by delivering a surplus across all our contracts.

Staff Development: Our partnership with training provider Ian Hitt resulted in the development of seven new training courses, which are now being rolled out.

Health & Wellbeing: A comprehensive Health & Wellbeing plan is in development and will be a key pillar of our strategy from 2025 onwards. We have also initiated partnerships with public health bodies to promote prevention and prehabilitation in our communities.

Enterprise and Facilities Development
Our subsidiary, South Downs Leisure Enterprises Ltd., had a successful year, with corporate hospitality experiencing strong demand. Field Place won the prestigious "Best Events Team" at The Wedding Industry Awards, and we have trained two staff members as Celebrants, a new and increasingly popular service.

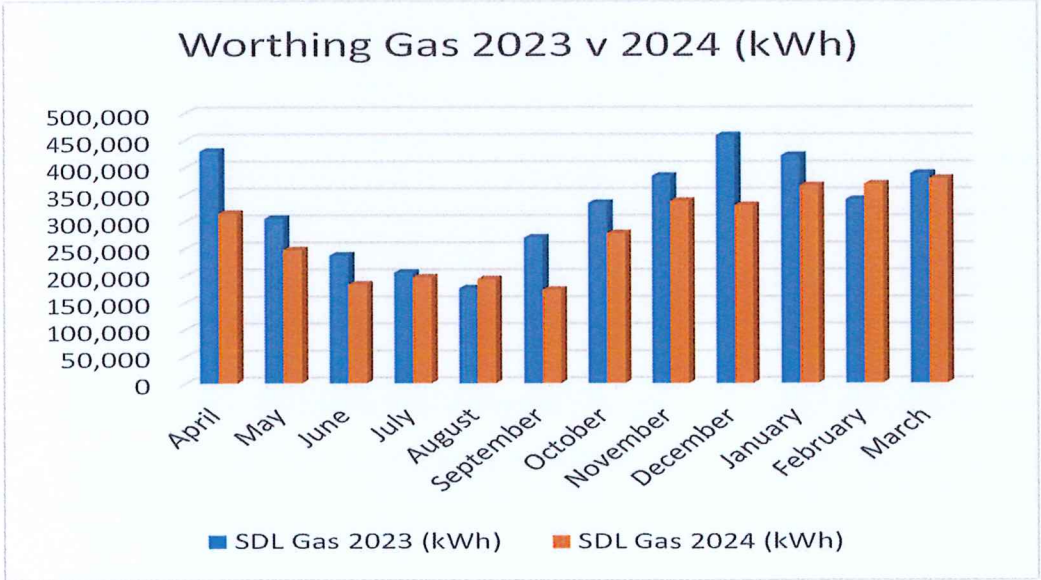
Sea Lanes, our National Open Water Swimming Centre in Brighton, opened in June 2023 and has seen over 90,000 visitors in less than a year. This facility has not only contributed positively to the Charity's financial performance but also provided a platform for numerous charity events.

We continue to invest back into our facilities and have invested over £800,000 over the past two years, from new gym equipment to refurbished changing rooms.

ENVIRONMENT AND SUSTAINABILITY

This has become a key focus of the business since 2021, and we have introduced a separate Sustainability Development Strategy for 2022 – 2026. We have worked hard to make this part of the culture at SDL, by investing in training staff, communications to staff/customers and working with partners. We have ensured that sustainability is considered as part of all decisions that are made at all levels.

We have invested heavily in environmental savings across all sites; working hard to understand our energy usage and drive this down. This has been in the form of LED lighting, PIR sensors, reduced the times high energy facilities and equipment are running. Staff teams have really taken this on across the sites with environmental champions leading the way and continually coming up with new ideas. Comparing gas and electricity usage between 2023 and 2024 shows the continuing affect the measures are having:



Gas is much harder to reduce as this controls the heating and hot water. The CHP at Splashpoint also uses gas to create electricity.

ENVIRONMENT AND SUSTAINABILITY - continued

ENVIRONMENT AND SUSTAINABILITY - continued

Careful building management and review of times for usage has resulted in lower costs in 2023-2024. Regular meetings are held to discuss achievements and review new initiatives. We have been working with specialist external suppliers to further review options available. We further developed our handling of waste across the sites with waste audits and increased recycling options such as glass/food/flexible plastics. A new partnership with Recorra has allowed this to take place and enable us to review the waste we produce.

Sustainable refuse collections - CO2 saving with Recorra
Limitations:

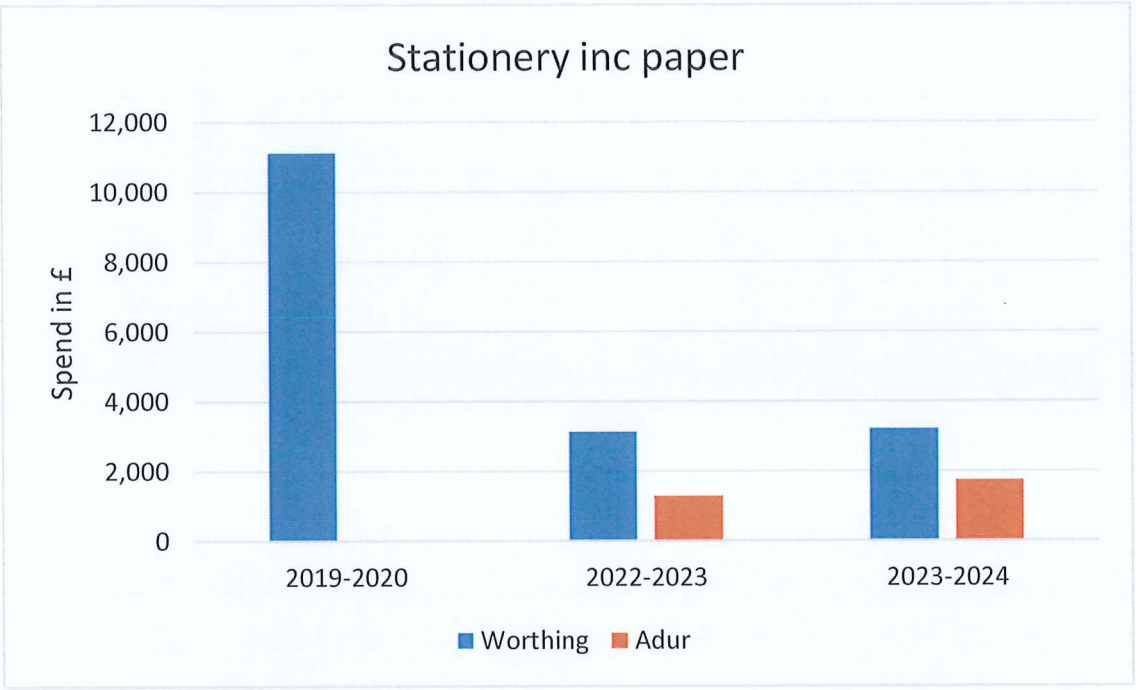
- assumes that every bin is full for each collection

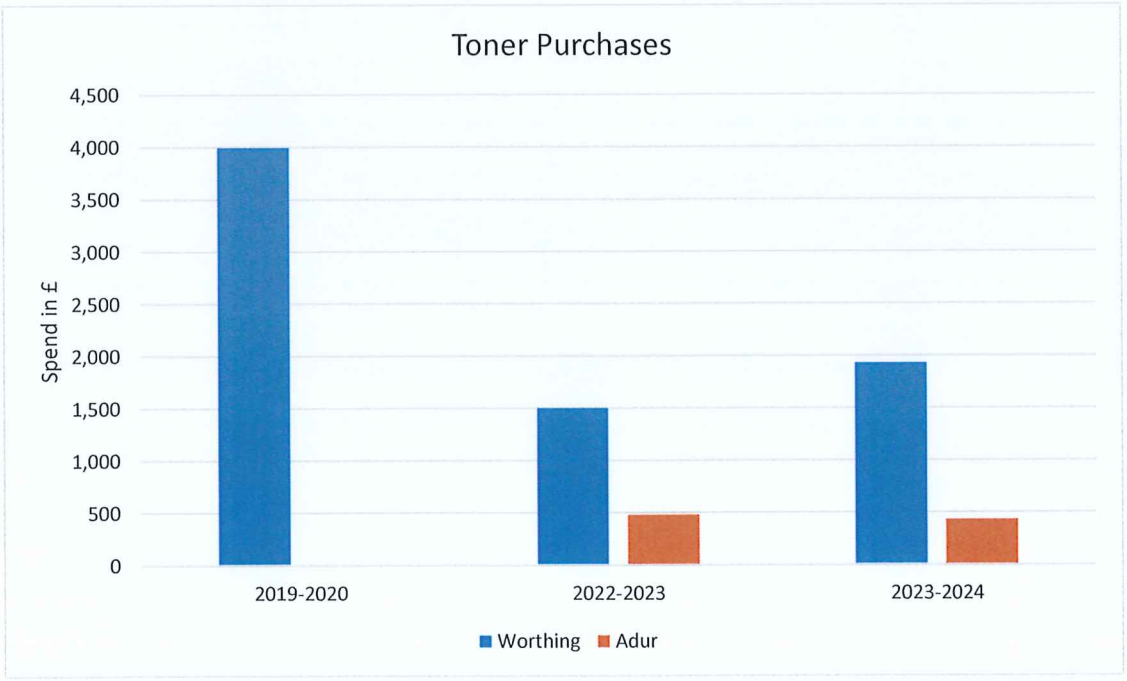
- only based on regular monthly collections, does not include further services, i.e. flexible plastics, battery & disposable vape boxes, etc

Splashpoint													
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
CO2 saved (kg)		890	890	890	1120	890	890	1120	890	1120	890	0	9590
Worthing LC													
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
CO2 saved (kg)		890	890	890	1120	890	890	1120	890	1120	890	0	9590
Field Place													
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
CO2 saved (kg)		1020	1230	1230	1880	1730	1730	2160	1730	2160	1730	0	16600
Palatine													
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
CO2 saved (kg)		170	340	340	430	340	340	430	340	430	340	0	3500
Lancing Manor LC													
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
CO2 saved (kg)		550	600	550	690	550	550	690	550	690	550	0	5970
Southwick LC													
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
CO2 saved (kg)		680	680	680	850	680	680	850	680	850	680	0	7310
Wadurs													
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
CO2 saved (kg)		340	340	340	430	340	340	430	340	430	510	0	3840
Combined CO2 saving	**56.4 tonnes**												

The introduction of an invoice capture system for the purchase ledger has resulted in time, paper, and toner savings. A concerted effort across the company has led to further reductions in the purchase of stationery, including paper, and toner.

HR also began to use DocuSign to save paper, envelopes, toner and postage. This has also resulted in better reporting and a higher rate of return of signed documents. This system is being rolled out throughout the company and has been replaced by PandaDoc in 2024 to achieve higher cost savings. Toner costs have also reduced as a result of reduced printing, thus reducing our environmental impact.



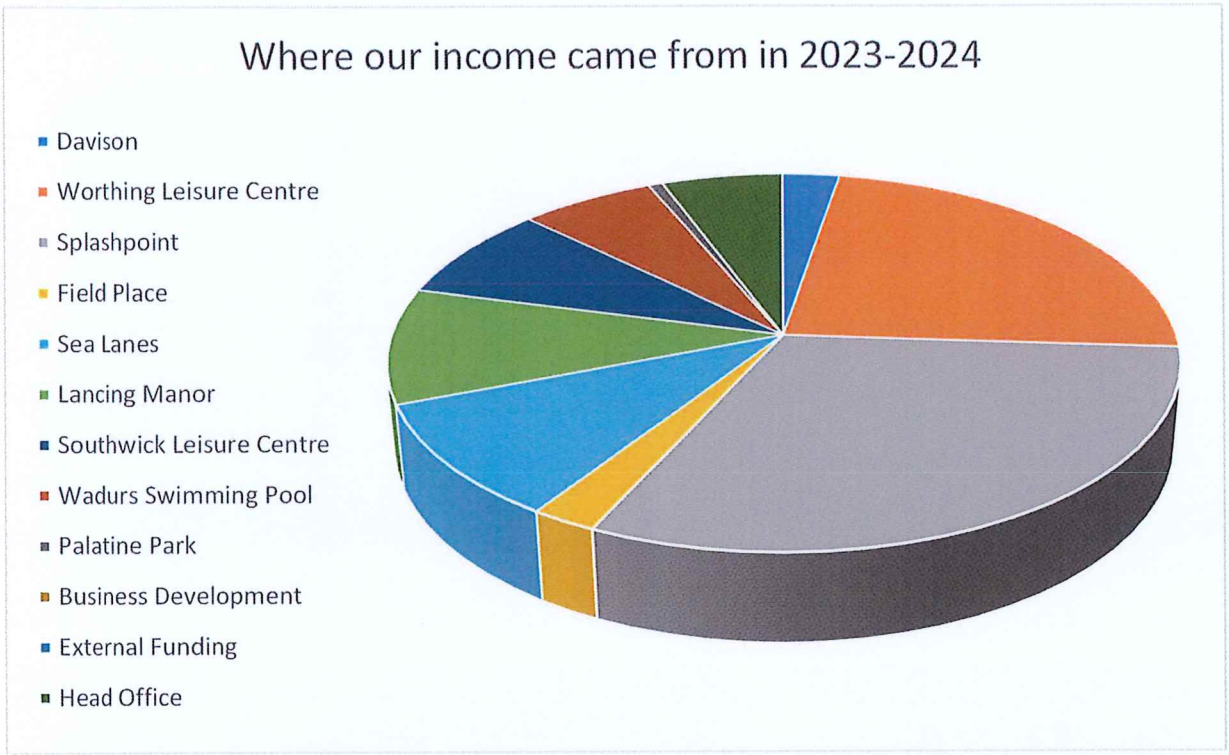


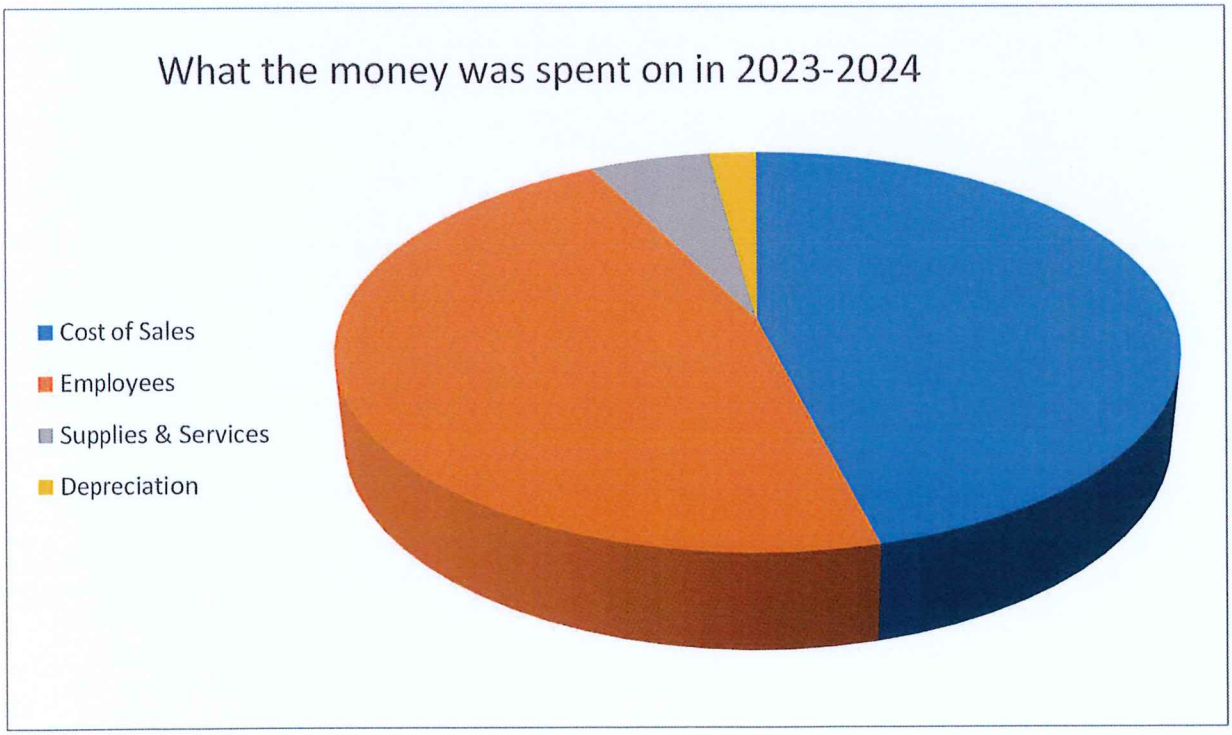
Although the cost of purchases have increase over the last four years there has been little impact on costs due to the reduction in printing.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

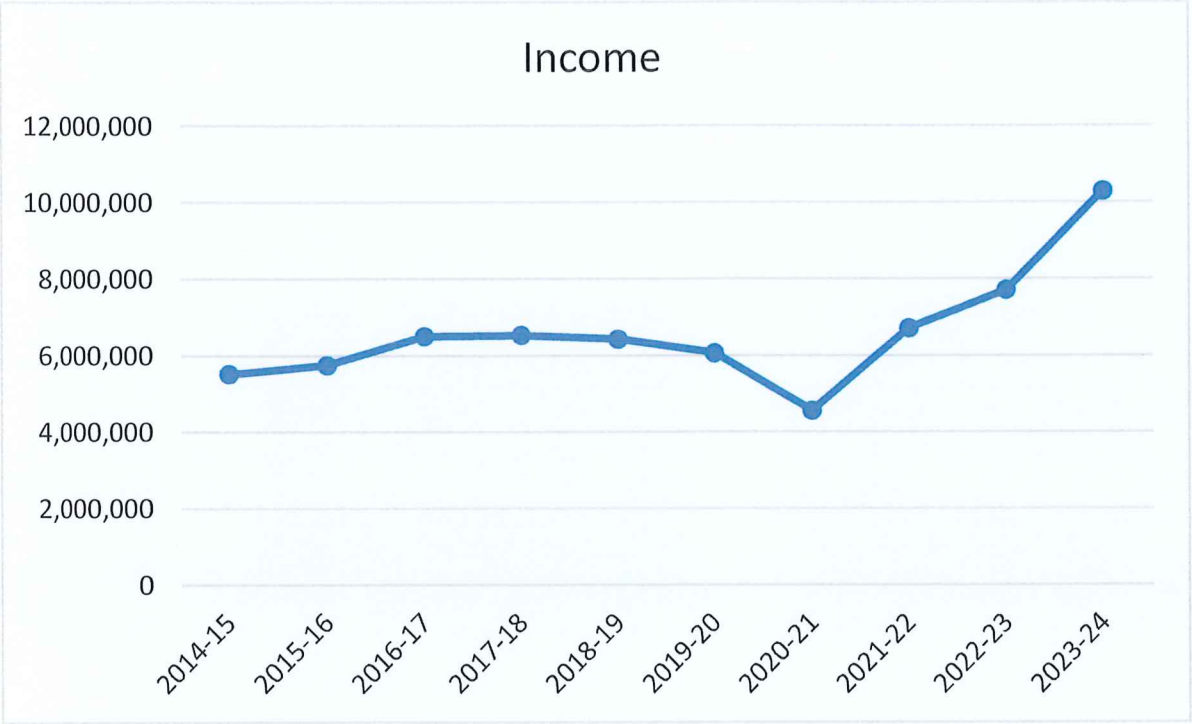
FINANCIAL REVIEW

The following charts show where our income came from and how that money was spent.





FINANCIAL REVIEW – continued



The above chart shows the income year on year. 2013-2015 we were a council Direct Service Organisation.

The above chart shows staff costs as a % of income. Figures from 2018-19 include Head Office costs.

FINANCIAL REVIEW – continued

Risk Management
The Trustees have a duty to identify and review the risks to which the charity is exposed and ensure appropriate controls are in place. A risk report is part of each Board agenda.

The top risks have been identified as:

- Membership no longer able to grow due to lack of space
- Losing the Adur contract
- Membership not reaching target levels
- Utility costs increasing beyond our budget
- Cyber crime

Steps have been taken to reduce or mitigate the above risks.

The following initiatives have been implemented to reduce risk and improve risk management:

- A risk report at each Board meeting.
- A SWOT analysis conducted annually to identify weaknesses and threats.
- A calendar of audits which include Health & Safety, Financial and Quality audits.
- Sales and Generic mystery visits and Net Promoter Score surveys to ensure we are delivering the service to expectation.
- Affiliation to the Quest industry accreditation scheme to maintain high standards across all sections of our business: The current position of each site is as below.

We have completed 3 Quest audits this year at Lancing, Southwick and Wadurs. All 3 sites scored very good. These are extensive 2-day audits looking at all areas of the business.

Health and Safety
South Downs Leisure is committed to embedding a culture of proactive health and safety management throughout the organisation. This is included in all staff and 1-1 meetings, and we have a dedicated Group Health and Safety Manager who works proactively across the sites to ensure the best standards are maintained. They have responsibility for Health and Safety compliance across the nine sites working closely with the site teams.

The Operations Director oversees regular cross-site meetings with the Operations Managers, and we aim for each site to have an appointed NEBOSH (The National Examination Board in Occupational Safety and Health) representative in this area supported by IOSH (Institution of Occupational Safety and Health) trained duty staff. We have trained a further 2 members of staff in NEBOSH & IOSH this year to further develop skills across the sites. We also have external expert advice through our contract with Right Directions who provide regular updates on legislation and compliance changes as well as providing an annual Health & Safety Audit of each site. This year the average score across the sites was 90%, an increase of 3%.

Accident and incident reporting
South Downs Leisure retains the services of Right Directions and the Data Hub digital platform. Right directions are a recognised industry leader in the Health and Safety field and have provided excellent support to the group H&S manager and site teams. The site managers and sections heads are provided with up-to-date information and notifications of changes in legislation, together with the calendar of audits, advice, and support in respect of litigation claims.

The reporting platform provides update data for managers to review and action. In the past year we have had no RIDDOR reportable accidents. All accidents and near misses are reviewed by the group H&S manager with the site team and also in ops meetings. Any actions are recorded and checked in the sites service improvement plans. The accident to usage ratio for April 2023 – March 2024 was 0.03%, this is compared to the national average of 0.45%.

FINANCIAL REVIEW – continued

Reserves

Surpluses on trading and charitable activities will be transferred to a risk reserve and an improvement reserve. After the accumulation of £891,000 into the risk reserve, then the Worthing contract part of the Trust shall transfer up to £100,000 of any surplus generated into a designated account, the Improvement Reserve.

Surpluses from the Adur contract will be saved into a separate improvement reserve after 50% has been paid to Adur District Council.

Surpluses from the Palatine Park contract are to be kept in a separate fund for use on football in the community.

The group has returned a surplus of £1,294,810 (2023: £319,936, after exceptional items. There was a surplus in the year of £236,177 before exceptional items). The accumulated reserves for the group amounted to £2,568,312 (2023: £1,273,502), including restricted funds of £4,762 (2023: £40,229) and unrestricted funds of £2,563,550 (2023: £1,233,273).

In the event that the Trust meets the agreed Risk Reserve target of £891,000 and after £100,000 has been transferred into the Improvement Reserve for the Worthing contract, 50% of any surpluses for the Adur contract have been transferred into an Improvement Reserve, and the Palatine Park surplus has been transferred into a football in the community fund, and the Risk Reserve target has been maintained for a continuous period of 3 months, then 50% of any additional surplus generated by the Trust in any Service Year shall be shared with Worthing Borough Council.

The Trust had total reserves at the balance sheet date of £2,568,312 (2023: £1,273,502). £891,000 (2023: £891,000) has been designated as the risk reserve in accordance with the reserves policy and £1,034,944 (2023: £661,044) has been designated as the improvement reserve for Worthing, plus £174,534 (2023 £0) for Adur, Palatine Park deficit £9,014 and Sea Lanes risk reserve £125,000, in accordance with the reserves policy, and £76,566 designated as the business improvement reserve for Sea Lanes. Restricted funds at the yearend were £4,762 (2023: £40,229).

The Worthing improvement reserve balance of £1,043,958 (2023: £661,044) is made up of the net book value of fixed asset purchases since incorporation of £288,205 (2023: £457,519) and there were £755,752 in unspent reserves (2023: No unspent reserves).

The Adur improvement reserve balance of £174,533 (2023: £0) is made up of the net book value of fixed asset purchases since incorporation of £169,068 (2023: £0) and there was £5,465 in unspent reserves (2023: £0).

The Sea Lanes improvement reserve balance of £76,566 (2023: £0) is made up of the net book value of fixed asset purchases since incorporation of £169,068 (2023: £0) and there was £5,465 in unspent reserves (2023: £0).

Going concern

Having weathered the instability of gas and electricity supplies and the extortionate prices caused by the war in Ukraine we continue to purchase our utilities through a broker, so hedge and contract our purchasing ahead of time. We continue to keep our People, Profit, Planet mantra first and foremost and apply this to all decisions.

Additional solar panels are to be fitted to Splashpoint and Wadurs swimming pools. We have been successful in a bid from Southern Water to implement a new water saving scheme which will ultimately reduce costs. We are also investigating in Deep Green as an additional tool to bring Splashpoint to net zero in line with our policy.

The industry is still seeing an increase in membership since the pandemic and South Downs Leisure is no exception. The membership continues to grow making our facilities very busy. Plans are being investigated to increase our capacity and improve our offering.

We now have a lean, agile workforce which is felt will be one of the best ways to cope with the challenges we have experienced and to give us flexibility moving forwards. We are focussing on the People element this year and have developed a number of inhouse training courses to continue developing our staff and encouraging retention.

Costs are monitored and controlled closely and all schemes available are utilised to minimise our costs i.e., training through CIMSPA.

By investing in our people, premises and products we believe that we are able to provide an excellent service whilst keeping this accessible to the community we serve. There are numerous schemes to provide access to harder to reach groups and remaining profitable enables our continued efforts in this area.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

Going concern
The Board of Trustees has considered the current economic climate and are satisfied that, assuming customers behaviour is in line with industry expectations, that it will be able to meet all its obligations as and when they fall due. Accordingly, they consider it appropriate to continue to prepare the financial statements on a going concern basis.

Plans for the future
South Downs Leisure's performance in the financial year 2023-2024 has been exceptional, highlighted by remarkable membership & financial growth, reductions in our carbon footprint, and outstanding recognitions within the business and events industry. These achievements reflect our commitment to providing top-quality services, supporting sustainability, supporting our community and being a socially responsible organisation. We remain committed to our mission of providing inclusive health and wellbeing initiatives while maintaining a clean, safe, and happy leisure experience.

A major investment in Worthing Leisure Centre is planned, aimed at expanding group exercise and gym space while redesigning our soft play areas to better meet user needs.

Our capital programme targets carbon neutrality at our dry facilities by 2030. Achieving this will require substantial investment but will secure long-term utility protection and position South Downs Leisure as a leader in sustainability.

Our dedication to the triple bottom line of People, Planet, Profit guides our actions, ensuring a positive impact on our community and the environment. We look forward to continued success and progress in the years to come.

ACCOUNTABLE AND TRANSPARENT
The work of the Trust sits largely in the public domain and through its values, club and customer focus groups, surveys & feedback mechanisms it strives to engage with all interested parties. The business plan and objectives are published and subject to public scrutiny.

As part of the service agreement with Worthing Borough Council, the Trust provides regular reports to the Council on its performance through monitoring Key Performance Indicators (KPIs).

FUNDRAISING
As a charity our income is derived from charitable trading and as such, we do not undertake any specific campaigns which require donations.

DISABLED PERSONS
The parent Charitable Company and its subsidiary undertakings' policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. South Downs Leisure is a Disability Confident employer and completed the Employability scheme during 2022-2023.

ENGAGEMENT WITH EMPLOYEES
A regular staff newsletter, a staff Facebook page, an annual staff awards party and environment team building days are just some of the ways that South Downs Leisure engage with staff. It is recognised that different avenues are required to engage with different groups of staff, and we continue to look at new avenues for communication. A number of podcasts have been created to discuss different subjects which have included menopause, cost of living, neurodivergence etc.

The Wellbeing Champions (previously known as Workplace Champions) introduced in 2021 are volunteers who have been given training to support staff, provide a means of signposting staff to additional support and coordinating with management as necessary.

Worthing Counselling Centre was employed as the EAP provider during 2019/20. This is a local charitable service which has already proved more popular than the previous, more generic, service. We are helping our staff and another local charity which fits perfectly with our ethos.

Our board of Trustees also includes a Staff Trustee to represent the staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of South Downs Leisure 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).

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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
  state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 the 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.

This report has been prepared having taken advantage of the small companies exemption in the companies act 2006.

ON BEHALF OF THE BOARD:

P Newton – Chair

Date: 30 September 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH DOWNS LEISURE

Opinion

We have audited the financial statements of South Downs Leisure (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 group 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 SOUTH DOWNS LEISURE

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of 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 by the parent charitable company and its subsidiary, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 group's and the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charitable Company through discussions with trustees and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and 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 Group's and Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 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:

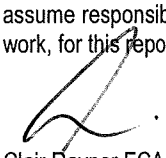
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

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 trustees' and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



Clair Rayner FCA DChA (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: 30/09/2024

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds	Restricted Funds	31.3.24 Total Funds	31.3.23 Total Funds
		£	£	£	£
INCOME					
Donation income	5	-	-	-	-
Income from charitable activities:					
Operation of leisure, recreation sites and health activities	6	9,855,278	5,390	9,860,668	7,761,867
Income from other trading activities:					
Commercial trading operations	7	686,359	-	686,359	685,049
Other income	8	-	-	-	(177,306)
TOTAL INCOME		10,541,637	5,390	10,547,027	8,269,610
EXPENDITURE					
Costs of raising funds:					
Commercial trading operations	7	653,183	-	653,183	559,007
Expenditure on charitable activities:					
Operation of leisure, recreation sites and health activities	10	9,114,290	40,857	9,155,147	7,474,426
TOTAL EXPENDITURE		9,767,473	40,857	9,808,330	8,033,433
NET (EXPENDITURE) / INCOME BEFORE EXCEPTIONAL ITEMS, TAXATION AND TRANSFERS		774,164	(35,467)	738,697	236,177
Exceptional items	21	556,113	-	556,113	(556,113)
NET MOVEMENT IN FUNDS		1,330,277	(35,467)	1,294,810	(319,936)
RECONCILIATION OF FUNDS:	26				
FUNDS BROUGHT FORWARD		1,233,273	40,229	1,273,502	1,593,438
FUNDS CARRIED FORWARD		2,563,550	4,762	2,568,312	1,273,502

All incoming resources and resources expended arise from continuing activities. The group has no other recognised gains and losses other than those stated above.

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2024

	Notes	31.3.24 Total Funds £	31.3.24 Total Funds £	31.3.23 Total Funds £	31.3.23 Total Funds £
FIXED ASSETS					
Intangible assets	16		4,681		20,328
Tangible assets	17		555,446		530,695
Investments	18		-		-
			560,127		551,023
CURRENT ASSETS					
Stocks	19	46,980		64,402	
Debtors	20	419,195		457,695	
Cash at bank and in hand		3,116,721		2,055,362	
		3,582,896		2,577,459	
CREDITORS					
Amounts falling due within one year	21	(1,549,587)		(1,837,214)	
NET CURRENT ASSETS			2,033,309		740,245
TOTAL ASSETS LESS CURRENT LIABILITIES			2,593,436		1,291,268
PROVISIONS FOR LIABILITIES	22		(25,124)		(17,766)
NET ASSETS			2,568,312		1,273,502
FUNDS					
Unrestricted income funds			266,105		234,921
Unrestricted designated funds			2,297,445		998,352
Restricted funds			4,762		40,229
TOTAL FUNDS	25		2,568,312		1,273,502

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 30.09.24 and were signed on its behalf by:

P Newton – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

COMPANY BALANCE SHEET
AT 31 MARCH 2024

	Notes	31.3.24 Total Funds £	31.3.24 Total Funds £	31.3.23 Total Funds £	31.3.23 Total Funds £
FIXED ASSETS					
Intangible assets	16		4,681		20,328
Tangible assets	17		460,638		437,191
Investments	18		1		1
			465,320		457,520
CURRENT ASSETS					
Stocks	19	46,980		64,402	
Debtors:	20	513,346		421,612	
Cash at bank and in hand		2,686,537		1,756,072	
		3,246,863		2,242,086	
CREDITORS					
Amounts falling due within one year	21	(1,409,976)		(1,659,032)	
NET CURRENT ASSETS			1,836,887		583,054
TOTAL ASSETS LESS CURRENT LIABILITIES			2,302,207		1,040,574
NET ASSETS			2,302,207		1,040,574
FUNDS					
Unrestricted designated funds			2,297,445		1,000,345
Restricted funds			4,762		40,229
TOTAL FUNDS	25		2,302,207		1,040,574

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 30.09.24 and were signed on its behalf by:

.....
P Newton – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

		Group 31.3.24 £	Group 31.3.23 £	Company 31.3.24 £	Company 31.3.23 £
Cash flows from operating activities	1	1,368,479	1,050,831	1,220,336	924,351
Tax paid		-	(4,097)	-	-
Net cash from operating activities		1,368,479	1,046,734	1,220,336	924,351
Cash flows from investing activities					
Purchase of tangible fixed assets		(213,547)	(221,606)	(199,400)	(221,606)
Purchase of intangible fixed assets		-	-	-	-
Disposal of asset		(43)	-	(1)	-
Finance charges		(93,530)	(26,428)	(90,470)	(24,093)
Interest receivable		-	-	-	1,991
Net cash from investing activities		(307,120)	(248,034)	(289,871)	(243,708)
Cash flows from financing activities					
Subsidiary loan repayments to parent		-	-	-	31,600
New loan		-	-	-	-
Loan repayments		-	-	-	-
Net cash from investing activities		-	-	-	31,600
Increase in cash and cash equivalents in the reporting period		1,061,359	798,700	930,465	712,243
Cash and cash equivalents at the beginning of the reporting period	2	2,055,362	1,256,662	1,756,072	1,043,829
Cash and cash equivalents at the end of the reporting period	2	3,116,721	2,055,362	2,686,537	1,756,072

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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

1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 31.3.24 £	Group 31.3.23 £	Company 31.3.24 £	Company 31.3.23 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,294,810	(319,936)	1,261,634	(317,809)
Depreciation/amortisation charges	204,428	197,283	191,600	175,711
Finance costs	93,530	26,428	90,470	24,093
Interest received	-	-	-	(1,991)
(Increase) / decrease in stock	17,422	21,914	17,422	21,914
Decrease / (increase) in debtors	38,500	300,658	14,234	308,574
Decrease / (Increase) in intercompany	-	-	(105,969)	(91,969)
Increase / (Decrease) in deferred tax	7,415	-	-	-
Increase / (Decrease) in creditors	268,487	268,371	307,058	249,715
Increase / (Decrease) in utilities contracts	(556,113)	556,113	(556,113)	556,113
Net cash flow from operating activities	1,368,479	1,050,831	1,220,336	924,351

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

Group

	31.03.24 £	31.03.23 £
Cash at bank and in hand	3,116,721	2,055,362
Total cash and cash equivalents	3,116,721	2,055,362

Company

	31.03.24 £	31.03.23 £
Cash at bank and in hand	2,686,537	1,756,072
Total cash and cash equivalents	2,686,537	1,756,072

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

3. ANALYSIS OF CHANGES IN NET FUNDS

Group

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	2,055,362	1,061,359	3,116,721
	2,055,362	1,061,359	3,116,721
Debt			
Debts falling due within 1 year	-	-	-
Debts falling due after 1 year	-	-	-
	-	-	-
Total	2,055,362	1,061,359	3,116,721

Company

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	1,756,072	930,465	2,686,537
	1,756,072	930,465	2,686,537
Debt			
Debts falling due within 1 year	-	-	-
Debts falling due after 1 year	-	-	-
	-	-	-
Total	1,756,072	930,465	2,686,537

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

1. STATUTORY INFORMATION

South Downs Leisure (A Private Company Limited by Guarantee) is a registered charity in England and Wales. The Charity's registered number and registered office address can be found on the Charity Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the provisions of FRS 102 (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There were no material departures from that standard.

The group's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the group. The financial statements are therefore presented in British Pound Sterling.

Going concern
Having weathered the instability of gas and electricity supplies and the extortionate prices caused by the war in Ukraine we continue to purchase our utilities through a broker, so hedge and contract our purchasing ahead of time. We continue to keep our People, Profit, Planet mantra first and foremost and apply this to all decisions.

Additional solar panels are to be fitted to Splashpoint and Wadurs swimming pools. We have been successful in a bid from Southern Water to implement a new water saving scheme which will ultimately reduce costs. We are also investigating in Deep Green as an additional tool to bring Splashpoint to net zero in line with our policy.

The industry is still seeing an increase in membership since the pandemic and South Downs Leisure is no exception. The membership continues to grow making our facilities very busy. Plans are being investigated to increase our capacity and improve our offering.

We now have a lean, agile workforce which is felt will be one of the best ways to cope with the challenges we have experienced and to give us flexibility moving forwards. We are focussing on the People element this year and have developed a number of inhouse training courses to continue developing our staff and encouraging retention.

Costs are monitored and controlled closely and all schemes available are utilised to minimise our costs i.e., training through CIMSPA.

By investing in our people, premises and products we believe that we are able to provide an excellent service whilst keeping this accessible to the community we serve. There are numerous schemes to provide access to harder to reach groups and remaining profitable enables our continued efforts in this area.

The Board of Trustees has considered the current economic climate and are satisfied that, there are no material uncertainties that impact their assessment of Going Concern and are satisfied that the Group and charitable company will be able to meet all its obligations as and when they fall due. Accordingly, they consider it appropriate to continue to prepare the financial statements on a going concern basis.

3. ACCOUNTING POLICIES – continued

Preparation of consolidated financial statements

The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary South Downs Leisure Enterprises Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account is not presented for the Charitable Company itself in accordance with the exemptions afforded by paragraph 397 of the SORP.

3. ACCOUNTING POLICIES – continued

Income recognition
All incoming resources from recreation and leisure sites are included on the Statement of Financial Activities when the charitable company is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the charitable company will receive the income. Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences. Some services are provided in advance of an invoice being raised and as such is accrued until the invoice has been raised and the income recognised in the income and expenditure account. Income for annual memberships is accounted for over the membership year.

Grants receivable
Grants receivable in respect of a specified period relating to the general activities of the charitable company are recognised in the Statement of Financial Activities in the period in which they become receivable. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use.

Government grants
Government grants are recognised when it is reasonably certain that the conditions attached the grant are met. The grant is recognised on an accruals basis over the period necessary to match with the costs that they are associated

Unrestricted Funds
Unrestricted funds are incoming resources receivable or generated for the objects of the charitable company 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.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

Support costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative, and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets
Fixed assets costing in excess of £5,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	straight line over 5 years
Fitness equipment	straight line over 5 years
Computer equipment	straight line over 5 years
Fixed assets - Adur sites	straight line over 4 years, until March 2026
Enterprise garden	Straight line over the life of the Worthing contract. 23 years
Sea lanes assets	Straight line over 3 years

3. ACCOUNTING POLICIES – continued

Intangible fixed assets
Intangible assets costing in excess of £5,000 are shown in the financial statements at cost, excluding irrecoverable VAT. Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer Software	straight line over 5 years

Irrecoverable VAT
Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Service Concession Arrangements
The charitable company has a Service Contract with Worthing Borough Council for the operation of leisure centres owned by the Council to which it has lease and management service contracts. Worthing Borough Council has rights under the contracts to specify the activities offered by the centres and has influence over the prices charged for them and specifies minimum standards for the services to be provided.

Property, plant and equipment
The buildings and plant at the centres are leased to the charitable company as part of the overall contractual relationship with Worthing Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the leisure centres, so that the charitable company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the charitable company's Balance Sheet.

Stocks
Stocks are valued at the lower of cost and estimated selling price less costs to sell, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Debtors receivable and creditors payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Debtors receivable and creditors payable over one year
Debtors and creditors are stated at value due as an appropriate interest/discount rate is effectively applied.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Allocation and apportionment of costs
Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites and in performance of the health activities. Charitable activities are split into recreation, leisure site and health activities costs, which are those costs incurred directly in the running of each of the sites and health activities, and support costs which are those costs incurred directly in support of expenditure on the objects of the Charitable Company.

Redundancy costs
Redundancy costs to be recognised in the SOFA when the decision has been fully communicated to the relevant emlpoyees.

3. ACCOUNTING POLICIES – continued

Financial Instruments

The charitable company and subsidiary enter into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Charitable Company and subsidiary enter into other financial instruments that result in the recognition of financial assets and liabilities at fair value.

e) Forward contracts

As a result of the volatile utilities market the Charitable Company enters into forward contracts to manage its cash flow risk concerning the price of utilities in the future. The financial instrument is valued at the balance sheet date at fair value. Fair value gains and losses are recognised in the statement of other comprehensive income.

Taxation

The Charitable Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

3. ACCOUNTING POLICIES – continued

Pension costs and other post-retirement benefits
In respect of those defined benefit pension schemes where the local authority has indemnified the Charitable company against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of a contract, the amount charged to the statement of financial activities represents the contribution payable to the scheme in the accounting period without any actuarial adjustment.

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.
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 to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in 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, the deferred income relating to memberships and bookings for the following year and the provision for gain shares in respect of contracts to run facilities on behalf of third parties.

4. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the Group Statement of Financial Activities include those of the Charitable Company's wholly owned subsidiary South Downs Leisure Enterprises Limited.

A summary of the financial activities undertaken by the Charitable Company is set out below:

			31.3.24	31.3.23
			£	£
Gross incoming resources	-	Operation of leisure centres	9,860,668	7,761,867
	-	Grants (note 6)	-	-
	-	Donations (note 5)	-	-
	-	Gift aid donation from subsidiary	-	-
	-	Other income (note 8)	-	(51,128)
			9,860,668	7,710,739
Total expenditure on charitable activities			(8,621,133)	(7,474,426)
Exceptional items			556,113	(556,113)
Loan interest from subsidiary			-	1,991
Net incoming / (outgoing) resources			1,261,634	(317,809)

5. DONATION INCOME

	31.3.24	31.3.23
	£	£
Donation income	-	-
	-	-

The Charitable Company received £nil (2023: £ nil) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS) and £nil (2023: £ nil) from the Bowls Club for a defibrillator at Field Place.

Income from donations was £nil (2023: £ nil) of which £nil (2023: £ nil) was attributable to restricted funds and £nil (2023: £nil) was attributable to unrestricted funds.

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

6. INCOME FROM CHARITABLE ACTIVITIES - continued

			31.3.24	31.3.23
			£	£
Gross incoming resources	-	Operation of leisure centres	9,855,278	7,760,539
	-	Grants	5,390	1,328
Net incoming / (outgoing) resources			9,860,668	7,761,867

Income from charitable activities was £9,860,668 (2023: £7,761,867) of which £5,390 (2023: £1,328) was attributable to restricted funds and £9,855,278 (2023: £7,760,539) was attributable to unrestricted funds.

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

	31.3.24	31.3.23
	£	£
Other grants	5,390	1,328
Other Local Authority grants	-	-
Net incoming / (outgoing) resources	5,390	1,328

7. INCOMING / (OUTGOING) RESOURCES FROM COMMERCIAL TRADING OPERATIONS

A summary of the trading results of the wholly owned subsidiary South Downs Leisure Enterprises Limited is shown below:

	31.3.24	31.3.23
	£	£
Turnover	686,359	558,872
Cost of sales and administration costs	(634,126)	(559,008)
Gift aid donation from subsidiary to parent	-	-
Interest on inter-group loan	-	(1,991)
Current and deferred taxation	(19,057)	-
Net profit/(loss)	33,176	(2,127)

Included within turnover in the year ended 31 March 2024 is £nil (2023: £ nil) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS) and £nil (2023: -£126,177) relating to the business interruption insurance claim that was recognised in the prior year based on the information available at that point in time but was not paid during the year.

8. OTHER INCOME

	31.3.24	31.3.23
	£	£
Business Interruption insurance claim	-	(177,306)
	-	(177,306)

There was no other income during the year ended 31 March 2024. In the prior year there was other income relating to a business interruption insurance claim based on the loss of earnings totalling £Nil.

Other income was £nil (2023: £ nil) of which £nil (2023: £ nil) was attributable to unrestricted funds.

9. NET INCOME/EXPENDITURE OF THE PARENT CHARITABLE COMPANY

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent Charitable Company is not presented as part of these financial statements. The parent Charitable Company's net incoming resources was £1,261,634 (2023: (£317,809) outgoing resources).

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

10. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES COSTS

	Direct Costs	Direct Staff Costs	Support Costs (see note 11)	31.3.24 Total Charitable Activities	31.3.23 Total Charitable Activities
	£	£	£	£	£
Leisure, recreation and health activities	4,452,861	4,229,743	472,543	9,155,147	7,474,426

£40,857 (2023: £3,769) of the above costs were attributable to restricted funds and £9,114,290 (2023: £7,470,657) of the above costs were attributable to unrestricted funds.

11. SUPPORT COSTS

Support costs, included in the above, are as follows:

	31.3.24 Operation of leisure, recreation sites and health activities	31.3.23 Operation of leisure, recreation sites and health activities
	£	£
External support services	-	101,635
Advertising & marketing	44,927	39,647
Office administration	133,971	116,807
Consultancy	9,548	8,436
Training	3,802	3,165
Finance costs	90,470	24,093
Governance costs	36,202	26,390
Other support costs	153,623	16,233
	472,543	336,406

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and health services.

12. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/ (crediting):

	31.3.24	31.3.23
	£	£
Hire of equipment	5,190	20,968
Depreciation	175,953	160,112
Amortisation	15,647	16,189
Auditors' remuneration	21,900	21,000
Auditors' remuneration for non-audit work	5,350	4,380

13. TRUSTEES' REMUNERATION AND BENEFITS

Staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff and not in respect of their services as trustees. Other trustees did not receive any payments from the Trust in respect of their roles as trustees.

The value of trustees' remuneration (Gross salary, employer's NI, employer's pensions) was as follows:

P Spencer-Snell (Staff trustee):
Remuneration: £nil (2023: £15,001 - £20,000)
Employer's pension contributions: £nil (2023: £0 - £5,000)

J Finch (Staff trustee):
Remuneration: £20,001 - £25,000 (2023: £0 - £5,000)
Employer's pension contributions: £0 - £5,000 (2023: £0 - £5,000)

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

14. STAFF COSTS

	31.3.24	31.3.23
	£	£
Company		
Wages and salaries	3,805,496	3,295,807
Social security costs	194,920	168,876
Defined contribution pension costs	210,714	236,993
Redundancy and severance payments	18,613	534
	4,229,743	3,702,210
Subsidiary		
Wages and salaries	142,616	114,565
Social security costs	9,975	8,710
Other pension costs	8,135	7,331
	160,726	130,607
	4,390,469	3,832,816

There were three redundancies in the year totalling £18,613 (2023: £534).

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

31.3.24	31.3.23
404	366

The total amount of employee benefits received by key management personnel was £478,780 (2023: £482,230). The Charitable Company considers its key management personnel to be the Chief Executive, Finance Director, Operations Director, HR Executive, Business Development Manager, two Operations Managers and staff trustees.

The number of employees whose emoluments fell within the following bands was:

	31.3.24	31.3.23
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-
	2	2

14. STAFF COSTS - continued

The number of employees earning in excess of £60,000 (for the year) to whom retirement benefits are accruing:

31.3.24	31.3.23
2	2

15. TAXATION

The Charitable Company paid no corporation tax during the year. Provisions for £11,642 (2023: £5,627) have been made at 31 March 2024 for corporation tax due in respect of the surplus from trading activities recorded in the year ended 31 March 2024. During the year ended 31 March 2024 all trading activities were conducted by the wholly owned subsidiary, South Downs Leisure Enterprises Limited.

South Downs Leisure Enterprises Limited has provisions included of £25,124 (2023: £17,766) in respect of deferred taxation and a corporation tax creditor of £11,642 (2023: £5,627) in respect of corporation tax payable on profits relating to trading income. The analysis of the tax charge on the profit for the year was as follows:

	31.3.24 £	31.3.23 £
Current tax:		
UK corporation tax	11,642	5,627
Under provision of corporation tax in the prior year	-	3,821
Deferred taxation movement	7,415	(397)
Tax on trading profit	19,057	9,051

16. INTANGIBLE FIXED ASSETS

Group and company

	Computer software £
COST	
At 1 April 2023	111,871
Additions	-
Disposals	-
At 31 March 2024	111,871
AMORTISATION	
At 1 April 2023	91,543
Charge for year	15,647
Eliminated on disposal	-
At 31 March 2024	107,190
NET BOOK VALUE	
At 31 March 2024	4,681
At 31 March 2023	20,328

17. TANGIBLE FIXED ASSETS

Group

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2023	791,137	534,485	114,503	1,440,125
Additions	79,289	134,258	-	213,547
Disposals	(3,360)	(3,682)	-	(7,042)
At 31 March 2024	867,066	665,061	114,503	1,646,630
DEPRECIATION				
At 1 April 2023	452,565	344,828	112,037	909,430
Charge for year	122,376	65,308	1,096	188,780
Eliminated on disposal	(3,360)	(3,666)		(7,026)
At 31 March 2024	571,581	406,470	113,133	1,091,184
NET BOOK VALUE				
At 31 March 2024	295,485	258,591	1,370	555,446
At 31 March 2023	338,572	189,657	2,466	530,695

Company

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2023	791,137	310,222	114,503	1,215,862
Additions	79,289	120,111	-	199,400
Disposals	(3,360)	(3,360)	-	(6,720)
At 31 March 2024	867,066	426,973	114,503	1,408,542
DEPRECIATION				
At 1 April 2023	452,565	214,069	112,037	778,671
Charge for year	122,376	52,481	1,096	175,953
Eliminated on disposal	(3,360)	(3,360)	-	(6,720)
At 31 March 2024	571,581	263,190	113,133	947,904
NET BOOK VALUE				
At 31 March 2024	295,485	163,783	1,370	460,638
At 31 March 2023	338,572	96,153	2,466	437,191

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

18. FIXED ASSET INVESTMENTS

Company

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

There were no investment assets outside the UK.

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

South Downs Leisure Enterprises Limited (company number 09261501)
Nature of business: Operation of an events venue

Class of share:	% holding
Ordinary	100

	31.3.24	31.3.23
	£	£
Aggregate capital and reserves	266,105	232,929
Total Profit/(Loss) for the year	33,176	(2,127)

19. STOCKS

	Group		Company	
	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
Stocks	46,980	64,402	46,980	64,402

Stock amounts recognised within expenditure for the current period are £497,890 (2023: £395,269).

20. DEBTORS

	Group		Company	
	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
Trade debtors	162,993	87,830	138,646	78,539
Other debtors	39,240	20,437	39,240	20,437
VAT	32,176	-	32,176	-
Prepayments and accrued income	184,786	349,427	169,035	294,355
Amounts owed by group undertakings	-	-	134,249	28,281
	419,195	457,695	513,346	421,612
Loan to associate over 1 year	-	-	-	-
Aggregate amounts	419,195	457,695	513,346	421,612

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
Trade creditors	174,194	241,928	165,197	230,915
Social security and other tax	11,642	55,301	-	46,374
Other creditors	5,758	579,589	5,758	579,589
Accrued expenses	1,105,561	667,556	1,105,561	667,556
Deferred income	252,432	292,840	133,460	134,598
Amounts due to group undertakings	-	-	-	-
	1,549,587	1,837,214	1,409,976	1,659,052

The Charitable Company has entered into forward contracts to purchase utilities in the future at a contracted rate.

The forward contracts relate to periods which span from April 2023 to April 2026 and the purchases of utilities that the forward contracts relate to also span from April 2023 to April 2026.

The whole change in the fair value of the forward contracts has been recognised in Other Comprehensive Income at the year end. No amounts were reclassified from equity to income and expenditure.

Deferred Income

	Group		Company	
	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
Deferred income at the start of the year	292,840	220,178	134,598	96,100
Deferred during the period	252,432	292,840	133,460	134,598
Amounts released to income from prior periods	(292,840)	(220,178)	(134,598)	(96,100)
Deferred income at the end of the year	252,432	292,840	133,460	134,598

Deferred income at 31 March 2024 for the Charitable Company represents annual leisure membership income and hires, where the consideration has been received in the year ended 31 March 2024 but the services were only provided following the year end. The Group deferred income also includes venue hire income under the same principles.

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.24	31.12.23	31.12.24	31.12.23
	£	£	£	£
Deferred taxation	25,124	17,766		-
	25,124	17,766		-

23. OPERATING LEASE COMMITMENTS

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	31.3.24	31.3.23
Due < 1 year	-	7,225
Due 1-2 years	-	6,808
Due 2-5 years	-	-
	-	14,033

Operating lease amounts recognised within expenditure for the current period are £5,190 (2023: £20,968).

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group			31.3.24	31.3.23
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed Assets	560,127	-	560,127	551,023
Current Assets	3,578,134	4,762	3,582,896	2,577,459
Current Liabilities	(1,574,711)	-	(1,574,711)	(1,854,980)
Long Term Liabilities	-	-	-	-
	2,563,550	4,762	2,568,312	1,273,502

Company			31.3.24	31.3.23
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed Assets	465,319	-	465,319	457,519
Investment	1	-	1	1
Current Assets	3,242,101	4,762	3,246,863	2,242,086
Current Liabilities	(1,409,976)	-	(1,409,976)	(1,659,032)
Long Term Liabilities	-	-	-	-
	2,297,445	4,762	2,302,207	1,040,574

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	Unrestricted funds	Restricted funds	31.3.23 Total funds	31.3.22 Total funds
	£	£	£	£
Fixed Assets	551,023	-	551,023	526,701
Current Assets	2,537,230	40,229	2,577,459	2,101,330
Current Liabilities	(1,854,980)	-	(1,854,980)	(1,012,728)
Long Term Liabilities	-	-	-	(21,865)
	1,233,273	40,229	1,273,502	1,593,438

Company	Unrestricted funds	Restricted funds	31.3.23 Total funds	31.3.22 Total funds
	£	£	£	£
Fixed Assets	457,519	-	457,519	411,623
Investment	1	-	1	1
Current Assets	2,201,857	40,229	2,242,086	1,863,651
Current Liabilities	(1,659,032)	-	(1,659,032)	(916,893)
Long Term Liabilities	-	-	-	-
	1,000,345	40,229	1,040,574	1,358,382

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

25. MOVEMENT IN FUNDS

Group	At 1.4.23	Net movement in funds	At 31.3.24
Unrestricted funds			
General	234,921	31,184	266,105
Designated - Worthing Risk Reserve	891,000	-	891,000
Designated - Worthing Business Improvement Reserve	659,051	375,893	1,034,944
Designated - Worthing Palatine Park	4,414	(9,013)	(4,599)
Designated - Adur Business Improvement Reserve	-	174,534	174,534
Designated - Sea Lanes Risk Reserve	-	125,000	125,000
Designated - Sea Lanes Business Improvement Reserve	-	76,566	76,566
Designated - Palatine Park Sinking Fund	-	-	-
Designated cashflow hedge	(556,113)	556,113	-
	1,233,273	1,330,277	2,563,550
Restricted funds			
Restricted funds	40,229	(35,467)	4,762
TOTAL FUNDS	1,273,502	1,294,810	2,568,312

Company	At 1.4.23	Net movement in funds	At 31.3.24
Unrestricted funds			
Designated - Worthing Risk Reserve	891,000	-	891,000
Designated - Worthing Business Improvement Reserve	661,044	373,900	1,034,944
Designated - Worthing Palatine Park	4,414	(9,013)	(4,599)
Designated - Adur Business Improvement Reserve	-	174,534	174,534
Designated - Sea Lanes Risk Reserve	-	125,000	125,000
Designated - Sea Lanes Business Improvement Reserve	-	76,566	76,566
Designated - Palatine Park Sinking Fund	-	-	-
Designated cashflow hedge	(556,113)	556,113	-
	1,000,345	1,297,100	2,297,445
Restricted funds			
Restricted funds	40,229	(35,467)	4,762
TOTAL FUNDS	1,040,574	1,261,633	2,302,207

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

25. MOVEMENT IN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	At 1.4.22	Net movement in funds	At 31.3.23
Unrestricted funds			
General	235,056	(135)	234,921
Designated	1,315,712	238,753	1,554,465
Designated cashflow hedge	-	(556,113)	(556,113)
Palatine park sinking fund	-	-	-
	1,550,768	(317,495)	1,233,273
Restricted funds			
Restricted funds	42,670	(2,441)	40,229
TOTAL FUNDS	1,593,438	(319,936)	1,273,502

Company	At 1.4.22	Net movement in funds	At 31.3.23
Unrestricted funds			
Designated	1,315,712	240,746	1,556,458
Designated cashflow hedge	-	(556,113)	(556,113)
Palatine park sinking fund	-	-	-
	1,315,712	(315,367)	1,000,345
Restricted funds			
Restricted funds	42,670	(2,441)	40,229
TOTAL FUNDS	1,358,382	(317,808)	1,040,574

25. MOVEMENT IN FUNDS – continued

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	686,359	(653,183)	(1,992)	31,184
Designated - Worthing Risk Reserve	-	-	-	-
Designated - Worthing Business Improvement Reserve	6,146,189	(6,189,372)	419,076	373,893
Designated - Worthing Palatine Park	67,559	(76,572)	-	(9,013)
Designated - Adur Business Improvement Reserve	2,619,921	(2,003,303)	(442,084)	174,534
Designated - Sea Lanes Risk Reserve	-	-	125,000	125,000
Designated - Sea Lanes Business Improvement Reserve	1,021,609	(820,043)	(125,000)	76,566
Designated - Palatine Park Sinking Fund	-	(25,000)	25,000	-
Designated cashflow hedge	556,113	-	-	556,113
	11,097,750	(9,767,473)	-	1,330,277
Restricted funds				
Restricted funds	5,390	(40,857)	-	(35,467)
TOTAL FUNDS	11,103,140	(9,808,330)	-	1,294,810

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated - Worthing Risk Reserve	-	-	-	-
Designated - Worthing Business Improvement Reserve	6,146,189	(6,189,373)	417,084	373,900
Designated - Worthing Palatine Park	67,559	(76,572)	-	(9,013)
Designated - Adur Business Improvement Reserve	2,619,921	(2,003,303)	(442,084)	174,534
Designated - Sea Lanes Risk Reserve	-	-	125,000	125,000
Designated - Sea Lanes Business Improvement Reserve	1,021,609	(820,043)	(125,000)	76,566
Designated - Palatine Park Sinking Fund	-	(25,000)	25,000	-
Designated cashflow hedge	556,113	-	-	556,113
	10,411,391	(9,114,291)	-	1,297,100
Restricted funds				
Restricted funds	5,390	(40,857)	-	(35,467)
TOTAL FUNDS	10,416,781	(9,155,148)	-	1,261,633

25. MOVEMENT IN FUNDS – continued

Comparative information in respect of the preceding period is as follows

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	558,872	(559,007)	-	(135)
Designated	7,709,410	(7,445,657)	(25,000)	238,753
Designated cashflow hedge	-	(556,113)	-	(556,113)
Palatine park sinking fund	-	(25,000)	25,000	-
	8,268,282	(8,585,777)	-	(317,495)
Restricted funds				
Restricted funds	1,328	(3,769)	-	(2,441)
TOTAL FUNDS	8,269,610	(8,589,546)	-	(319,936)

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	7,711,402	(7,445,656)	(25,000)	240,746
Designated cashflow hedge	-	(556,113)	-	(556,113)
Palatine park sinking fund	-	(25,000)	25,000	-
	7,711,402	(8,026,769)	-	(315,367)
Restricted funds				
Restricted funds	1,328	(3,769)	-	(2,441)
TOTAL FUNDS	7,712,730	(8,030,538)	-	(317,808)

25. MOVEMENT IN FUNDS – continued

Short Breaks Buddy PT
Discounted PT sessions and gym access for children with disabilities aged 14-18 years.

Walking Football
A lower impact, slower version of the game aimed at those over 50.

Exercise Referrals
A programme of GP referrals funded by Adur District Council.

Leisure Futures
A funded project to look into the building of a new leisure centre to replace Worthing Leisure Centre.

Winter Pressures Chair Based Pilates
The overarching aim of the programme is to improve health outcomes and reduce the demand for services by reducing the risk of falls in older people.

Aiming High Trampoline Equipment
Funding for equipment to support children and young people with disabilities and mobility issues to take part in trampolining session.

Safe in Sussex Community Grant
The grant is aimed at providing local organisations financial support to reduce crime and improve safety in their local areas using various initiatives.

Dementia Friendly Pottery
Funding for the provision of regular 'relaxed' pottery sessions for people with Dementia and Alzheimer's.

Disability Disco
A funded project to host 'Silent Discos' for young people with learning difficulties and physical disabilities.

WSCC Holiday and Food Grant
West Sussex County Council offers grant funding to providers to deliver activities and food during the school holidays.

The Great Outdoors
The Great Outdoors AW campaign aims to remind residents of the great natural resources on our doorstep

Palatine Park Sinking Fund
From 1 April 2022 a sinking fund will be set aside by SDL payable to the local authority in respect of Palatine Park. Commencing on 31 March 2023 and every year thereafter SDL shall accrue funds to the sum of £25,000.

On termination of the deed, the lease, and the agreement, SDL have no claim over the sinking fund and the football development fund.

In the year, costs were accrued to the value of £25,000 (2023: £25,000), in respect of this sinking fund.

The total value of the accrual being carried forward in the accounts is £50,000 (2023: £25,000).

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

26. CAPITAL COMMITMENTS

	Group		Company	
	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
Contracted for but not provided for in the financial statements	-	-	-	-

27. LEGAL STATUS

The Charity is a Company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

28. RELATED PARTY TRANSACTIONS

During the year South Downs Leisure engaged in services from Inspace Fitness Limited, a company in which Phillip Griffin, a trustee until his resignation from the board on 1 February 2024, is a director. £77,912 + VAT (2023: £214,349 + VAT) was invoiced for gym equipment. As at 31 March 2024, South Downs Leisure owed £nil (2023: £26,264) to Inspace Fitness Limited.

During the year the South Downs Leisure Group received income from a related party, Mark Byerley (Operations Director). The income relates to the rent of a property owned by the trust, with sales coming to £5,400 (2023: £5,400). There was £nil (2023: £nil) owed to the group at the year end.

South Downs Leisure Enterprises Limited

During 2018 a loan of £158,000 was made to South Downs Leisure Enterprises Limited, a company fully owned by South Downs Leisure, at a commercial rate of 6% per annum. During the year £nil was repaid (2023: £31,600) which incurred interest of £nil (2023: £1,991). At 31 March 2024 £nil (2023: £ nil) was outstanding and is included in creditors in the Charitable Company.

During the year costs were recharged to South Downs Leisure Enterprises for wages, rent, management charges and VAT, as at 31 March 2024 South Downs Leisure Enterprises was owed £nil from the parent (2023: £ nil). The parent company was owed £134,249 (2023: £28,281) from the subsidiary as at 31 March 2024.

SOUTH DOWNS LEISURE

England & Wales - Charity number 1163564

Accounts

REGISTERED COMPANY NUMBER: 9204269 (England and Wales)
REGISTERED CHARITY NUMBER: 1163564

REPORT OF THE TRUSTEES AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 FOR SOUTH DOWNS LEISURE (A COMPANY LIMITED BY GUARANTEE)

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Chair's statement

We have performed exceptionally well both financially and within the business community. In November 2022, South Downs Leisure won the Sustainable Business of the year at the Adur & Worthing Business awards, this was closely followed in January when Field Place was awarded the Team of the year at the National Wedding Industry awards, two accolades that we should all be very proud of.

The year did not come without its challenges for both South Downs Leisure and our customers, in the form of a utility crisis, fuel, food and mortgage rates all increasing into double digit inflation.

The Board and management team have worked together to understand how they could keep facilities open whilst a £1m increase in utilities materialised. We also reviewed ways in which we could support the local community with the cost of living. We have managed to achieve this with only a 6% average price increase in most activities.

There has been a huge cultural change toward sustainability and the triple bottom line of People, Planet, Profit with 90% of staff showing an interest in this and wanting to make a positive change.

In November 2022 we introduced a 3-month free membership to people on benefits, homeless and refugees and have seen over 400 people go through this scheme in its first year.

We had to leave no stone unturned, which meant reviewing opening hours of facilities, activities and budgets. We also converted 1300 aqua-school members to FIT4, which in turn had a positive uplift on family memberships.

Significant strides were achieved with reducing our use of fossil fuels, we saw an average reduction of 30% in our carbon footprint on Scope 1.

We have also continued to work hard towards our sustainability targets and introduced:

- New plant-based cleaning products.
- Recycled uniform made from plastic bottles.
- Sustainable team building days.
- Paperless head office, saving on paper and water.

In March 2023 we started using a new waste collection company. This year we will be focusing on a policy of re-use and recycle before replacing and ask the question, do we need to purchase in the first place.

Our membership sales showed strong growth, increasing by 48% from 9,186 members in April 2022, to 13,634 in March 2023. The largest growth as a % was in Adur with memberships growing by 76% over the year and 37% in Worthing.

Whilst we grow the business we will continue to reinvest and make significant improvements into our facilities. During the last 12 months we have invested:

- £50,000 investment in LED floodlights at Field Place and Worthing Leisure Centre.
- £90,000 on new Les Mills Body Pump equipment across all sites.
- £40,000 to improve our access control system.
- £60,000 on an I.T. upgrade.
- £20,000 to develop a new recording studio to deliver podcasts and virtual classes.
- £300,000 on new Gym kit at Worthing Leisure Centre and Splashpoint.
- £60,000 converting an old boxing room into a new Spinning studio at Lancing Leisure Centre.
- £50,000 refurbishment of changing rooms and toilets at Lancing Leisure Centre.

Enterprise

South Downs Leisure Enterprises Ltd. had a strong year with weddings and corporate hospitality. This all came on the back of winning our third national award at Field Place and our Events & Functions Manager now becoming a judge.

We have looked to the future markets and have trained two staff to be Celebrants and offer services under the name of South Downs Celebrants. Booking have started to come in for 2024.

Sea Lanes

A new addition to South Downs Leisure was Sea Lanes. A National Open Water Swimming Centre on the beach in Brighton. This eye-catching facility opened in June 2023, however there was a great deal of preparation that was required during 2022-2023 to make it the success it has become in its first two months. We saw over 13,000 visitors to Sea Lanes in June and have over 1500 members.

Looking ahead

We are in an extremely strong position, financially and with the quality, strength and depth of the management team and Board. We need to continue our focus on the triple bottom line and understand how we could achieve carbon net zero at our dry side sites by 2030.

We also need to start planning our next five-year strategy for 2025-2030. Work on this will begin in early 2024.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also Directors of the Charitable Company for the purposes of the Companies Act 2006, present their report with the financial statement for the year ending 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

REFERENCE & ADMINISTRATIVE DETAILS

Name of charity
South Downs Leisure

Name of subsidiary
South Downs Leisure Enterprises Ltd

Charity and company registration
South Downs Leisure 09204269
South Downs Leisure Enterprises Ltd 09261501
Charity number 1163564

Registered office
Field Place Manor House, The Boulevard, Worthing, West Sussex BN13 1NP
Telephone and website
01903 905050
www.southdownsleisure.co.uk

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

Bank
Lloyds Banking Group
City Office
PO Box 72, Bailey Drive, Gillingham Business Park, Gillingham ME8 0L

Solicitors
Joanna Bussell
Winckworth Sherwood
Minerva House, 5 Montague Close, London SE1 9BB

Chief Executive Officer
Duncan Anderson

Trustees

	Appointed	Resigned
K von Habsburg (Chair)	5 February 2015	13 June 2022
J Lawrence-Hall	5 February 2015	
A Fleetwood	1 July 2019	
R Ramdin (Chair)	16 October 2019	
P Griffin	24 August 2020	
P Newton (Vice Chair)	24 August 2020	
P Spencer-Snell	26 October 2020	12 December 2022
C James	26 October 2020	13 March 2023
P Greenwood-Pearsons	22 October 2021	
A Turner	28 April 2022	
J Marshall	1 February 2023	
J Finch	3 February 2023	
R Garner	1 August 2023	
H Schan	1 August 2023	

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

South Downs Leisure is a charitable company limited by guarantee constituted on 4 September 2014 and governed by articles and memorandum of association.

Charitable status was applied following the incorporation of the Trust and was awarded shortly after the Trust commenced trading on 1 May 2015. The trustees are also directors of the charity for the purposes of the Companies Act.

The charity has a wholly owned trading subsidiary, South Downs Leisure Enterprises Ltd, whose non-primary purpose is to provide trading activities to support the activities of the Trust.

Recruitment and Appointment of Trustees

Unless otherwise determined by the company, the Board shall consist of at least three and not more than eleven individuals comprised as follows:

- Up to 8 Community Trustees
- Up to 2 Local Authority Trustees
- Up to 1 Employee Trustee

Community Trustees will always be a majority on the Board.

New community Trustees are recruited in accordance with the Board's agreement and with our Articles of Association. We will always look to complement and strengthen the skills and experience of the Trustee team on the Board. Community Trustees are appointed for three years with membership being reviewed annually.

Recruitment of the employee Trustee was initially by appointment by the senior management team in accordance with the Articles of Association but from 2016 this was changed to election by employees as agreed by the Board.

The Local Authority confirms its nominations and appointments as and when Local Authority vacancies arise.

Organisational Structure

The current Board consists of eight community Trustees providing a range of experience and professional expertise.

Rachel Ramdin is Chair and Paula Newton is vice Chair.

We have three subgroups which meet throughout the year to support the Board:

Finance
Andrew Fleetwood, Rachel Ramdin

People and Governance
Joanne Lawrence Hall, Paula Newton, Paula Spencer-Snell

Remuneration
Rachel Ramdin, Andrew Fleetwood

Enterprise Directors
Joanne Lawrence Hall, Penelope Greenwood-Pearsons, Paula Newton, Duncan Anderson

We held the following meetings for the period ended 31 March 2023:

- 4 x Board meetings
- 4 x Finance meetings
- 4 x People and Governance meetings
- 4 x Enterprise meetings
- 1 x Remuneration meeting

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

South Downs Leisure Trustees
Kris von Habsburg (Chair – retired 13 June 2022)
Rachel Ramdin (Chair)
Paula Newton (Vice Chair)
Joanne Lawrence Hall
Andrew Fleetwood
Phill Griffin
Charles James (Councillor) – resigned 13 March 2023
Paula Spencer-Snell (Staff Trustee) – resigned 12 December 2022
Penelope Greenwood-Pearsons
Amanda Turner
James Marshall
Jennifer Finch (Staff Trustee)
Rita Garner
Hillary Schan

To facilitate the effective operation of the Charity the Board has delegated the responsibility of administering the Charity to a Senior Management Team:

- Chief Executive Officer
- Finance Director
- Sales and Marketing Director
- Operations Director
- Human Resources Manager

Risk Management
The Trustees have a duty to identify and review the risks to which the charity is exposed and ensure appropriate controls are in place. A risk report is part of each Board agenda. The following initiatives have been implemented to reduce risk and improve risk management:

- A risk report at each Board meeting.
- A SWOT analysis conducted annually to identify weaknesses and threats.
- A calendar of audits which include Health & Safety, Financial, Quality audits.
- Sales and Generic mystery visits and Net Promoter Score surveys to ensure we are delivering the service to expectation.
- Affiliation to the Quest industry accreditation scheme to maintain high standards across all sections of our business: The current position of each site is as below.

We have completed 2 Quest Prime (recovery) audits this year at Splashpoint and Lancing. Splashpoint scored excellent and Lancing scored very good. These are extensive audits looking at all areas of the business.

Health and Safety
South Downs Leisure is committed to embedding a culture of proactive health and safety management throughout the organisation. This is included in all staff and 1-1 meetings, and we have a dedicated Group Health and Safety Manager who works proactively across the sites to ensure the best standards are maintained. They have responsibility for Health and Safety compliance across the nine sites working closely with the site teams.

The Operations Director oversees regular cross-site meetings with the Operations Managers, and we aim for each site to have an appointed NEBOSH (The National Examination Board in Occupational Safety and Health) representative in this area supported by IOSH (Institution of Occupational Safety and Health) trained duty staff. We have trained a further 4 members of staff in IOSH this year to further develop skills across the sites. We also have external expert advice through our contract with Right Directions who provide regular updates on legislation and compliance changes.

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

Accident and incident reporting

South Downs Leisure retains the services of Right Directions and the Data Hub digital platform. Right directions are a recognised industry leader in the Health and Safety field and have provided excellent support to the group H&S manager and site teams. The site managers and sections heads are provided with up-to-date information and notifications of changes in legislation, together with the calendar of audits, advice, and support in respect of litigation claims.

The reporting platform provides update data for managers to review and action. In the past year we have had no RIDDOR reportable accidents. All accidents and near misses are review by the group H&S manager with the site team and also in ops meetings. Any actions are recorded and checked in the sites service improvement plans.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Objectives and Activities

The objectives of the charitable company are:

- To provide or assist in the provision of both outdoor facilities in the interest of social welfare for recreation or other leisure time occupation of individuals who have need of such reason by their youth, age, infirmity or disability, financial hardship or social circumstances or to the public at large with the object of improving their conditions of life, and/or
- To promote community participation in healthy recreational activities, and/or
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the condition of life for all those who use the facilities, and/or
- To promote the education of the public through the provision of facilities for the provision of performing arts, and/or such other charitable purposes as the Trustees in their absolute discretion may determine.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. We have referred to this guidance when reviewing our business plan and planning new activities for the future.

Our Vision and Mission

The Trust established a Vision, Mission Statement and Values outlined below, with our Vision reflecting the UK Active National agenda.

OUR VISION

More People, More Active, More Often.

MISSION

To deliver an inclusive range of health and wellbeing initiatives whilst providing a clean, safe and happy leisure experience.

OUR VALUES

Integrity

We will be open, honest and friendly when communicating with customers and partners, treating everyone with respect.

Equality, diversity and inclusion

We aim to ensure that the opportunities the Trust provides are accessible, are available on a non-discriminatory basis and provide maximum health and wellbeing benefits for all.

Continuous Improvement

We will strive to make the experience of users and visitors better by continually reviewing our activities and procedures.

Partnership working

We will develop and sustain strong and effective partnerships with local and national organisations in pursuit of our vision: More People, More Active, More Often.

Innovation

We will explore the introduction of new products and services, driven by technology, industry research and best practice.

Staffing

We will ensure that all our staff are professionally qualified and/or appropriately trained to deliver the service required and respond effectively and quickly to customer enquiries.

OBJECTIVES AND ACTIVITIES – continued

Environmental awareness
We will endeavour to be an environmentally conscious organisation and will continually review our services to ensure best practice.

A Strong Board
Selection and recruitment of the Board was planned with a clear vision to provide a good range of interested, articulate and passionate volunteers with a strong mix of experience, age, and gender. The Board has developed a deep understanding of the aims of the Trust and provide strong, but challenging, support and guidance.

Executive Management Team
The Exec Management Team is led by the Chief Executive and includes, Finance Director, Operations Director, Group Business Development Manager, Group Facility Manager Worthing, Group Facility Manager Adur and the HR Executive. Below this we have a Senior Management team.

A number of subgroups were held throughout the year to ensure the delivery of the business plan.

Remuneration policy for key management personnel
A remuneration committee is in place for future review of remuneration for key management personnel. Historically all changes in grade have been passed by the HR/People and Governance subgroup. Cost of living increases are passed by the Board.

Training
We are committed to understanding the sector we operate in and the local and national agenda. To achieve this, we must ensure staff have every opportunity to attend conferences and seminars and attend Continuous Professional Development courses.

We have committed to funding CIMSPA membership, which is our Chartered Institute. We have been able to take advantage of several free courses through CIMSPA in addition to other external and internal training.

We are committed to maintaining this budget for the future and looking to continue with the mentoring scheme and management training on alternate years.

OBJECTIVES AND ACTIVITIES – continued

OBJECTIVES AND ACTIVITIES – continued

Workforce Make Up
The total workforce at the time of TUPE was 367 employees. The total workforce number does fluctuate monthly by approx. 25 employees due to two factors; seasonal variations around busy/school holiday periods and taking off the casual employees who have not worked within the organisation for the last three months which is an Inland Revenue requirement.

Gender Pay Gap Reporting
On 6 April 2017, new regulations came into force requiring organisations with 250 or more employees to publish annual reports containing detailed information regarding the Gender Pay Gap (including bonus pay) between men and women across their workforce.

Gender Pay Gap - March 2023	MALE				FEMALE			
	Number	Mean	Median	%	Number	Mean	Median	%
Whole Organisation	171	12.39	9.37	0.31	386	14.97	12.97	0.69
Upper Quartile	22	24.36	23.71	0.16	118	23.41	23.71	0.84
Upper Middle Quartile	40	15.7	14.38	0.29	99	15.39	12.97	0.71
Lower Middle Quartile	59	9.24	9.37	0.42	80	9.1	8.91	0.58
Lower Quartile	50	8.19	8.36	0.36	89	8.6	8.91	0.64
	171	**69.88**	**65.19**	**1.54**	**386**	**71.47**	**67.47**	**3.46**

In summary we are proud to report that there continues to be a fair balance of pay rates between male and female employees across the organisation.

STAFF PROFILES

As at 19/07/23	Number	Percentage
Total number of employees	478	
Total number of posts	885	
Number of employees with disabilities	4	0.84%
Number of employees of an ethnic minority	14	2.93%

* Ethnic Minorities is inclusive of anyone who has disclosed themselves as not being white British.

We continue to use fair recruitment practices and ensure open and transparent processes to encourage all interested parties to apply for roles.

We are proud that we have retained the Disability Confident accreditation and have taken part in the EmployAbility scheme to assist disabled people into the leisure workforce.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES – continued

Continuous Improvement

A key to the success of South Downs Leisure is in the desire to improve, reinvest and be at the forefront of new initiatives. We actively support CIMSPA membership (the Chartered Institute for the Management of Sport and Physical Activity) with the senior management team being members. We also work closely with Community Leisure UK attending regular calls and conferences.

Please see table below detailing the historical performance monitors since SDL was formed and the status of current audits. Both SPLC and LLC have also been through QUEST assessment this year.

Audits	2017/18	2018/19	2019/20	2021/22	2022/23
Quality Audits Worthing LC	92%	90%	83%	on hold	on hold
Quality Audits Splashpoint	93%	92%	89%	on hold	on hold
Quality Audits Field Place	91%	88%	84%	on hold	on hold
Quality Audits Davison LC	91%	87%	78%	on hold	on hold
H&S Audit Worthing LC	91%	91%	90%	87%	88%
H&S Audit Splashpoint	93%	87%	91%	90%	85%
H&S Audit Field Place	94%	93%	94%	91%	92%
H&S Audit Davison LC	86%	87%	92%	86%	90%
H&S Audit Lancing	NA	NA	NA	84%	82%
H&S Audit Southwick	N/A	N/A	N/A	81%	83%
H&S Audit Wadurs	N/A	N/A	N/A	85%	89%
NPS Adur	N/A	N/A	N/A	55%	36%
NPS Worthing	39%	39%	41%	49%	45%

	on target	
	<15%	
	>15%	

OBJECTIVES AND ACTIVITIES – continued

CUSTOMER SATISFACTION

South Downs Leisure recognises that the customer is at the heart of the business and continually monitors satisfaction ratings using the "Net Promoter Score" system. NPS is a management tool that can be used to gauge the loyalty of an organisation's customer relationships. It serves as an alternative to traditional customer satisfaction research and has been adopted by more than two thirds of Fortune 1,000 companies as well as many of the leisure industry providers.

We have continued to actively seek feedback from customers, and this has continued through introducing this via our app. All feedback is reviewed and actioned by the relevant teams.

ACHIEVEMENTS AND PERFORMANCE

We have continued to grow and develop this year with the opening of a new site at Sea Lanes in Brighton. This is an outdoors 50m pool on Brighton seafront. Since opening it has proven to be very successful with over 1500 members joining and a large uptake from the swimming community and clubs.

We have achieved external recognition form the Adur and Worthing Business awards winning business of the year 2022 and Field Place achieving further recognition winning a national wedding industry award for a third year in a row.

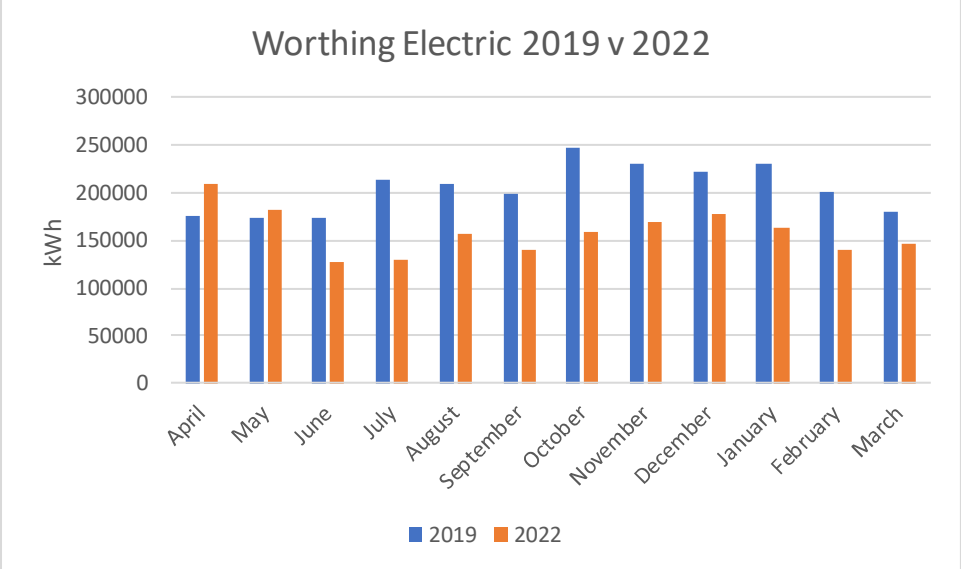
Despite the pressures affecting all business we have continued to grow our membership to 14000 and have seen continued growth in all areas. As a result, we have been able to continue our development of sites and a few examples are listed below:

- Upgraded floodlighting at WLC and Field Place
- Upgraded Les Mills equipment across sites
- Toilet and changing refurbishment at Lancing LC
- Improved access control system at Splashpoint

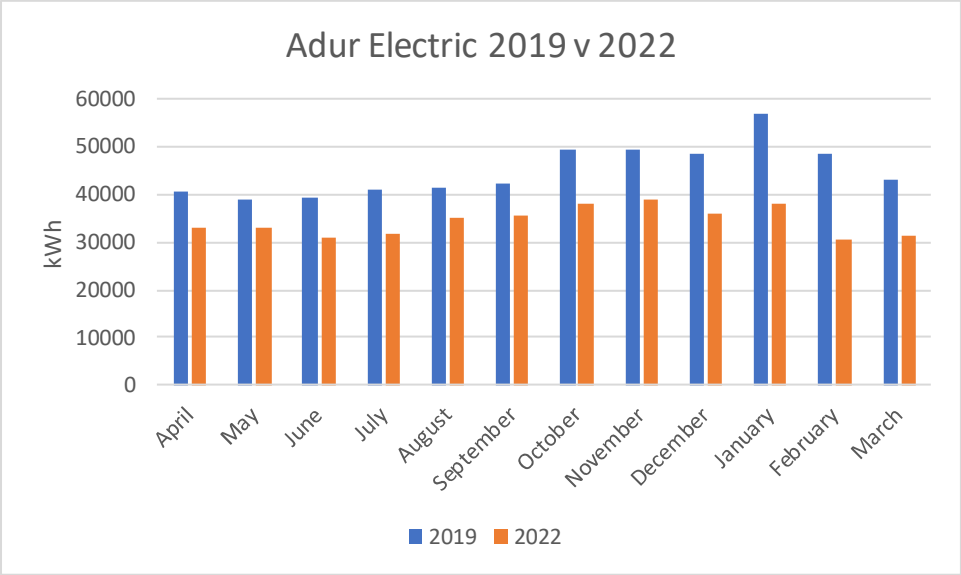
ENVIRONMENT AND SUSTAINABILITY

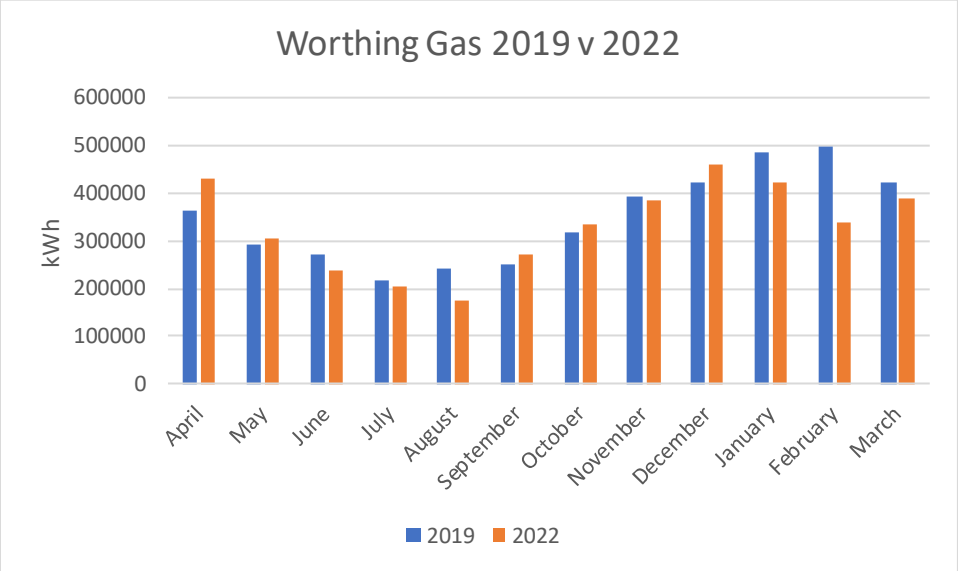
This has become a key focus of the business over the past 12 months, and we have introduced a separate Sustainability Development Strategy for 2022 – 2026. We have worked hard to make this part of the culture at SDL, by investing in training staff, communications to staff/customers and working with partners. We have ensured that sustainability is considered as part of all decisions that are made at all levels.

We have invested heavily in environmental savings across all sites; working hard to understand our energy usage and drive this down. This has been in the form of LED lighting, PIR sensors, reduced the times high energy facilities and equipment are running. Staff teams have really taken this on across the sites with environmental champions leading the way and continually coming up with new ideas. Comparing gas and electricity usage between 2019 (pre Covid) and 2022, to include the new Adur sites, shows the effect the measures are having:

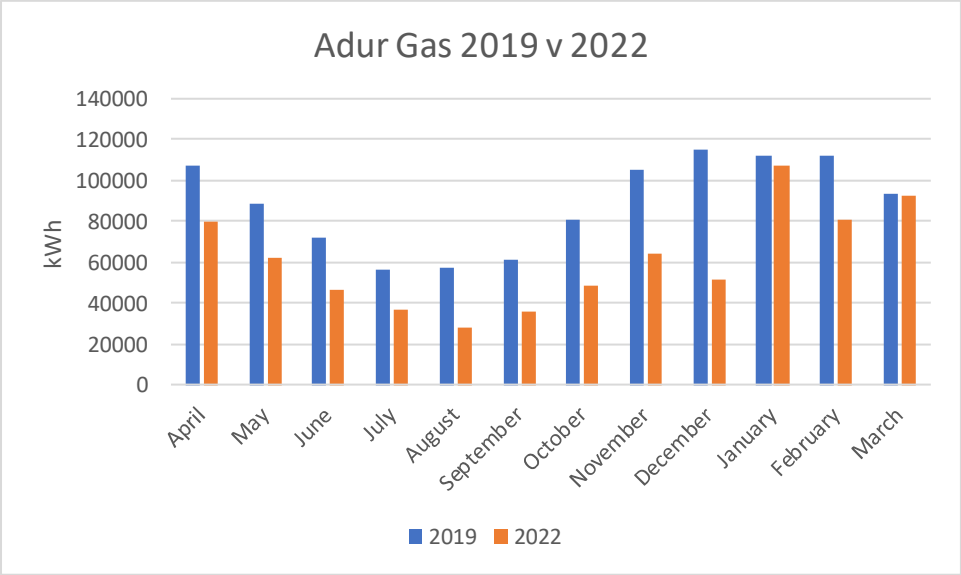


REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023



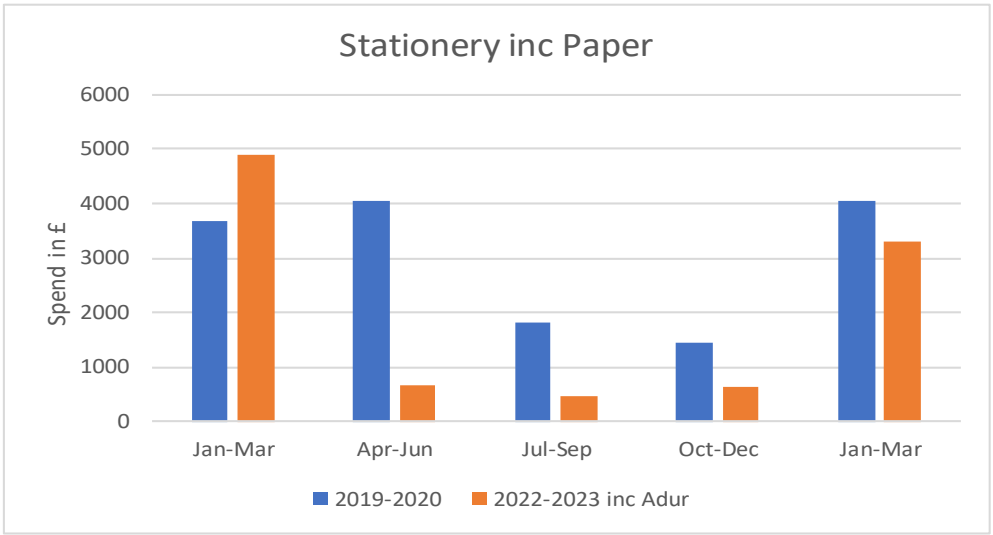


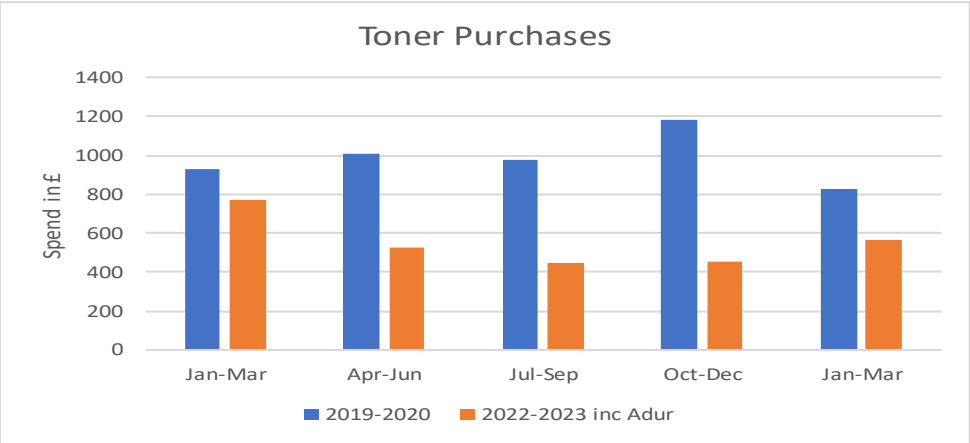
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023



Regular meetings are held to discuss achievements and review new initiatives. We have been working with specialist external suppliers to further review options available. We further developed our handling of waste across the sites with waste audits and increased recycling options such as glass/food/flexible plastics. A new partnership with Recorra has allowed this to take place and enable us to review the waste we produce.

The introduction of an invoice capture system for the purchase ledger has resulted in time, paper, and toner savings. A concerted effort across the company has led to further reductions in the purchase of stationery, including paper, and toner.

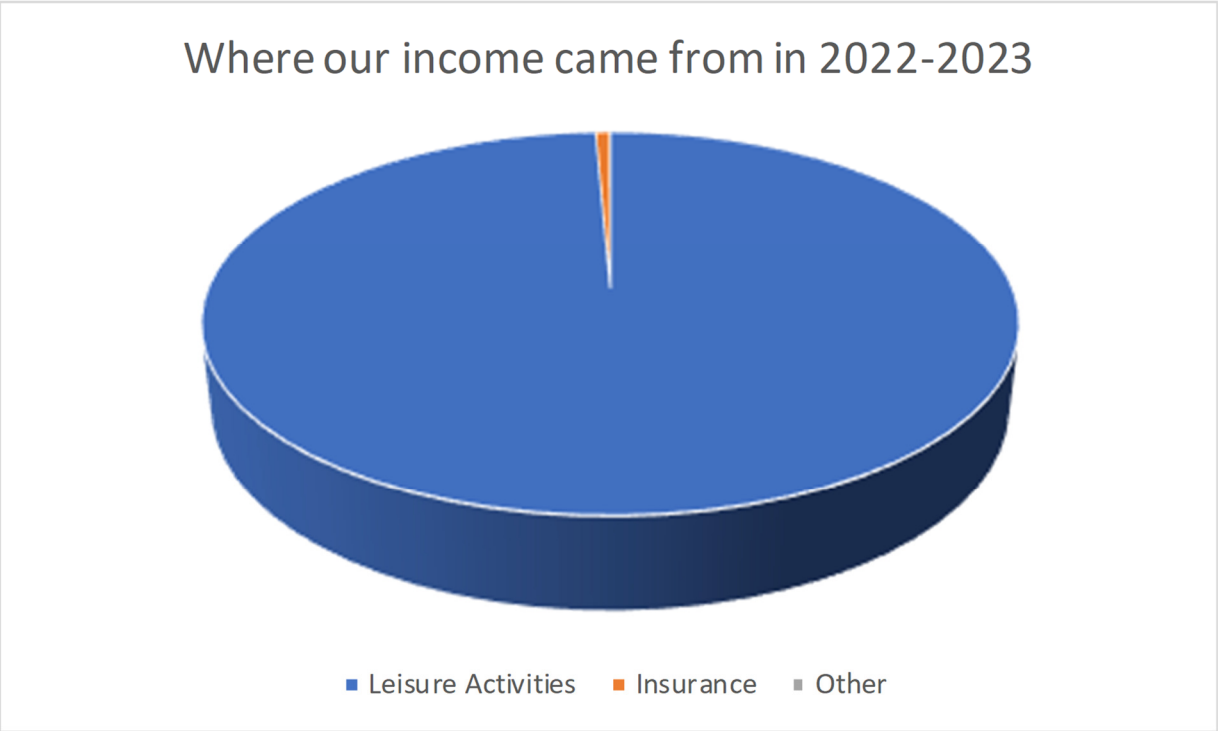



Toner Purchases
1400
1200
1000
800
600
400
200
0
Spend in £
Jan-Mar
Apr-Jun
Jul-Sep
Oct-Dec
Jan-Mar
2019-2020
2022-2023 inc Adur

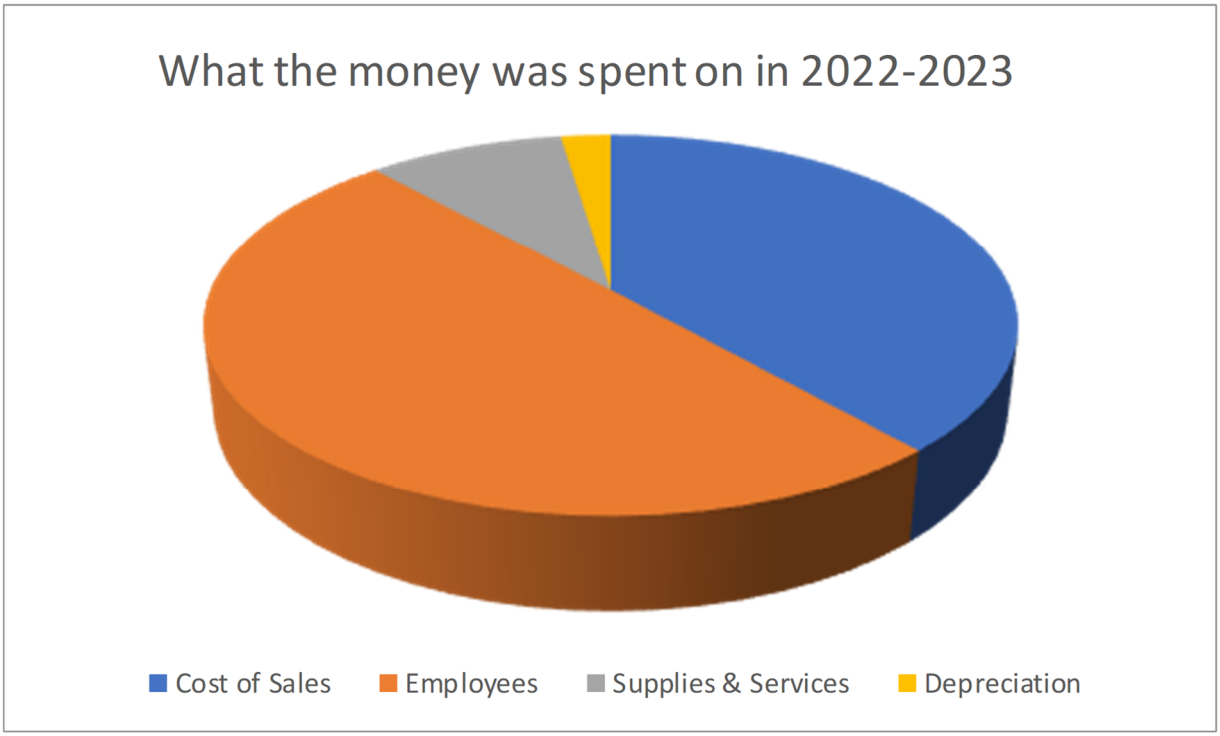
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

FINANCIAL REVIEW

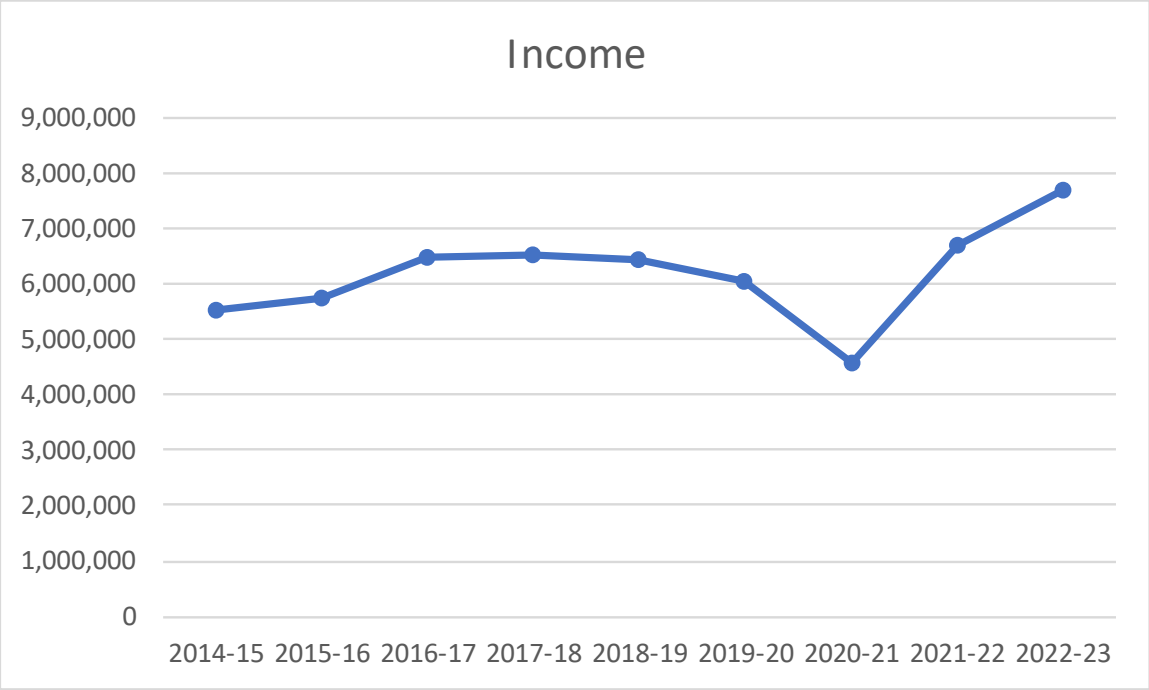
The following charts show where our income came from and how that money was spent.



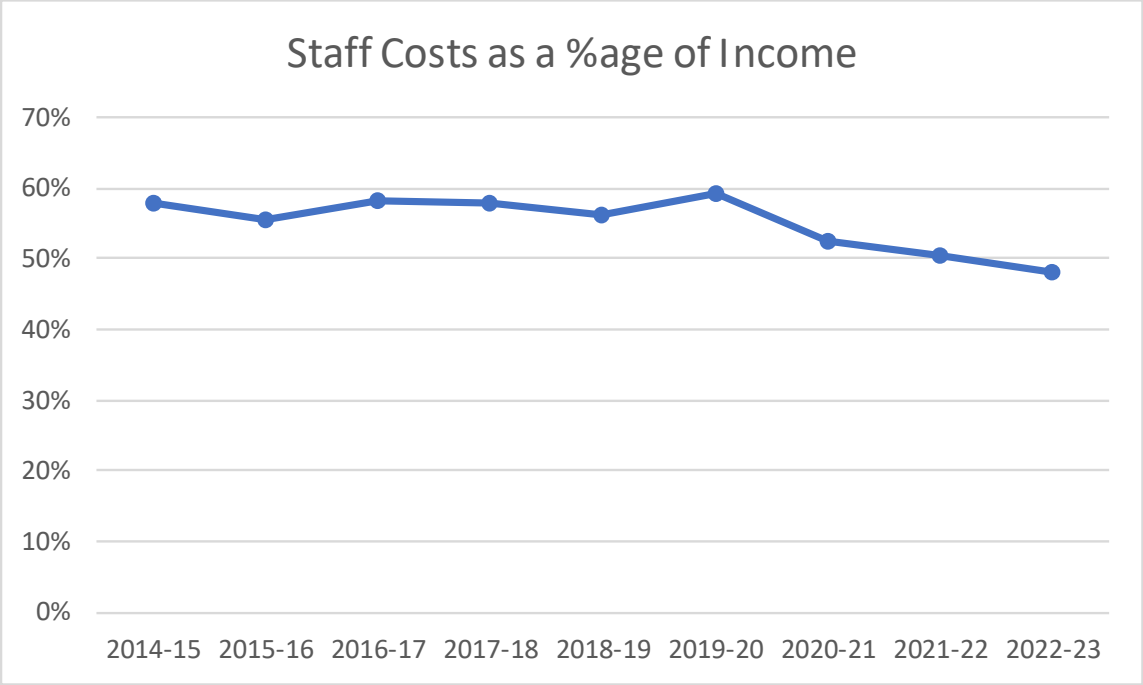
Insurance was a negative of £51k as this money was not received as expected in 2021-2022.



FINANCIAL REVIEW – continued



The above chart shows the income year on year. 2013-2015 we were a council Direct Service Organisation.



The above chart shows staff costs as a % of income. Figures from 2018-19 include Head Office costs.

FINANCIAL REVIEW – continued

Reserves

Surpluses on trading and charitable activities will be transferred to a risk reserve and an improvement reserve. After the accumulation of £891,000 into the risk reserve, then the Worthing contract part of the Trust shall transfer up to £100,000 of any surplus generated into a designated account, the Improvement Reserve.

Surpluses from the Adur contract will be saved into a separate improvement reserve after 50% has been paid to Adur & Worthing Council. Surpluses from the Palatine Park contract are to be kept in a separate fund for use on football in the community.

The group has returned a deficit after exceptional items of £319,936 (2022: £10,419 deficit). There was a surplus in the year of £236,177 before exceptional items (2022: £10,419 deficit). After accounting for exceptional items, the accumulated reserves for the group amounted to £1,273,502 (2022: £1,593,438), including restricted funds of £40,229 (2022: £42,670) and unrestricted funds of £1,233,273 (2022: £1,550,768).

In the event that the Trust meets the agreed Risk Reserve target of £891,000 and after £100,000 has been transferred into the Improvement Reserve for the Worthing contract, 50% of any surpluses for the Adur contract have been transferred into an Improvement Reserve, and the Palatine Park surplus has been transferred into a football in the community fund, and the Risk Reserve target has been maintained for a continuous period of 3 months, then 50% of any additional surplus generated by the Trust in any Service Year shall be shared with Worthing Borough Council.

The Trust had total reserves at the balance sheet date of £1,273,502 (2022: £1,593,438). £891,000 (2022: £786,644) has been designated as the risk reserve in accordance with the reserves policy and £661,044 (2022: £443,186) has been designated as the improvement reserve for Worthing and Adur, plus £4,414 (2022: £12,751) has been designated for Palatine Park. Within reserves is a cashflow hedge fund of negative £556,113 (2022: £nil) in respect of forward contracts entered into to purchase utilities. Restricted funds at the year end were £40,229 (2022: £42,670). Unrestricted funds at year end totalled £234,921 (2022: £235,056).

The improvement reserve balance of £661,044 (2022: £469,404) is made up of the net book value of fixed asset purchases since incorporation of £457,519 (2022: £362,588) and there were £203,525 unspent reserves (2022: £106,816).

The COVID-19 crisis saw the reserves depleted between March and October 2020 resulting in the need for a government backed CBILS bank loan for £750,000. This was repaid in September 2021 before any interest charges were due. In December 2020 the insurance claim was accepted and ensured stability with a cover of £2.5m. £1.99m was received to March 2022. The High Court ruling in September 2022 resulted in the insurance company refusing our final tranche of the claim as each lockdown or change in rules was deemed as a new claim period. The insurance policy renewed in June 2020 and Covid was no longer covered.

Going concern

Having weathered the COVID-19 pandemic with the benefit of the insurance claim, government assistance including the Coronavirus Job Retention Scheme, and restructuring our workforce, we have, once again, faced huge challenges. The cost of utilities increased in October 2022 to a level not previously envisaged possible. This has mainly been driven by the war in Ukraine and the instability of fuel supply.

The decision was taken to not tie into a fixed term contract but to take a five-year contract where utilities are purchased at the best next day price. We implemented this between October and December 2022 and found that this yielded much better results than any of the fixed term contracts we were offered. From January 2023 we hedged some of our fuel costs to ensure some stability in our budgets. The hedging has been led by the traders at the utility brokers and has worked well so far.

Since focusing on our sustainability strategy, we have identified a number of areas where improvements have resulted in cost savings, as well as being a win for the planet.

We now have a lean, agile workforce which is felt will be one of the best ways to cope with the challenges we have experienced and to give us flexibility moving forwards.

Our product is in the middle of the leisure market and although the cost-of-living crisis will squeeze some of our customers with less disposable income out of a full membership, we are aware that we are gaining interest from the top end of the market. We continue to provide an online service and are able to sell this as a more cost-conscious standalone product to keep customers engaged during this difficult period.

Costs are monitored and controlled closely and all schemes available are utilised to minimise our costs i.e., training through CIMSPA.

FINANCIAL REVIEW – continued

The Board of Trustees have considered the uncertainties caused by the current cost of living crisis, the volatility in the utilities market as a result of the war in Ukraine and the potential impact that further strains of Covid -19 may have on the trust and whilst these issues do cause some uncertainty the Board are satisfied that it has taken mitigating actions that will reduce the impact of these uncertainties on the activities of the trust. In addition the Board consider the level of reserves to be of a sufficient level to ensure that the trust will be able to meet its liabilities as they fall due and for this reason they consider it appropriate to continue to prepare the financial statements on a going concern basis.

Plans for the future

By restructuring the business and taking on the additional Adur contract, we feel that South Downs Leisure is poised to deal with future challenges and opportunities that come our way. We have shown our agility and flexibility in coping with the Covid crisis, which we will continue to employ during the current challenges as we grow and reinforce the position of the Trust. The opportunity of Sea Lanes is already being embraced by the team. At the same time, we are committed to sustainability and the environmental impact of South Downs Leisure. Our focus will continue to be around the triple bottom line of People, Planet, Profit with all activities, staff engagement and projects. We will continue to strive for a business that is financially successful, creating stability for our staff, meets our Objects, whilst prioritising the environment.

ACCOUNTABLE AND TRANSPARENT

The work of the Trust sits largely in the public domain and through its values, club and customer focus groups, surveys & feedback mechanisms it strives to engage with all interested parties. The business plan and objectives are published and subject to public scrutiny.

As part of the service agreement with Worthing Borough Council, the Trust provides regular reports to the Council on its performance through monitoring Key Performance Indicators (KPIs).

FUNDRAISING

As a charity our income is derived from charitable trading and as such, we do not undertake any specific campaigns which require donations.

DISABLED PERSONS

The parent Charitable Company and its subsidiary undertakings' policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. South Downs Leisure is a Disability Confident employer and completed the Employability scheme during 2022-2023.

ENGAGEMENT WITH EMPLOYEES

The importance of communication with employees was highlighted during the COVID-19 pandemic. We have continued with the Zoom calls with the CEO for all staff and these are held on a regular basis, as we recognise how important it is for staff to see the CEO and have the opportunity to ask questions directly. There are staff newsletters and social media posts.

The Wellbeing Champions (previously known as Workplace Champions) introduced in 2021 are volunteers who have been given training to support staff, provide a means of signposting staff to additional support and coordinating with management as necessary.

Worthing Counselling Service was employed as the EAP provider during 2019/20. This is a local charitable service which has already proved more popular than the previous, more generic, service. We are helping our staff and another local charity which fits perfectly with our ethos.

In line with our Environmental Strategy, we have also appointed Sustainability Champions and have recently taken these staff on trips to see the local windfarm and recycling facility.

Our board of Trustees also includes a Staff Trustee to represent the staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of South Downs Leisure 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).

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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
  state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 the 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.

ON BEHALF OF THE BOARD:

R Ramdin – Chair

Date: 18 September 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH DOWNS LEISURE

Opinion
We have audited the financial statements of South Downs Leisure (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 SOUTH DOWNS LEISURE

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of 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 by the parent charitable company and its subsidiary, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 group's and the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charitable Company through discussions with trustees and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and 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 Group's and Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 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 trustees' and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: 18/09/2023

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds	Restricted Funds	31.3.23 Total Funds	31.3.22 Total Funds
		£	£	£	£
INCOME					
Donation income	5	-	-	-	100,604
Income from charitable activities:					
Operation of leisure, recreation sites and health activities	6	7,760,539	1,328	7,761,867	6,325,734
Income from other trading activities:					
Commercial trading operations	7	685,049	-	685,049	533,493
Other income	8	(177,306)	-	(177,306)	241,187
TOTAL INCOME		8,268,282	1,328	8,269,610	7,201,018
EXPENDITURE					
Costs of raising funds:					
Commercial trading operations	7	559,007	-	559,007	486,773
Expenditure on charitable activities:					
Operation of leisure, recreation sites and health activities	10	7,470,657	3,769	7,474,426	6,724,664
TOTAL EXPENDITURE		8,029,664	3,769	8,033,433	7,211,437
NET (EXPENDITURE) / INCOME BEFORE EXCEPTIONAL ITEMS, TAXATION AND TRANSFERS		238,618	(2,441)	236,177	(10,419)
Exceptional items	21	(556,113)	-	(556,113)	-
NET MOVEMENT IN FUNDS		(317,495)	(2,441)	(319,936)	(10,419)
RECONCILIATION OF FUNDS:	26				
FUNDS BROUGHT FORWARD		1,550,768	42,670	1,593,438	1,603,857
FUNDS CARRIED FORWARD		1,233,273	40,229	1,273,502	1,593,438

All incoming resources and resources expended arise from continuing activities. The group has no other recognised gains and losses other than those stated above.

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2023

	Notes	31.3.23 Total Funds £	31.3.23 Total Funds £	31.3.22 Total Funds £	31.3.22 Total Funds £
FIXED ASSETS					
Intangible assets	16		20,328		37,630
Tangible assets	17		530,695		489,071
Investments	18		-		-
			551,023		526,701
CURRENT ASSETS					
Stocks	19	64,402		86,316	
Debtors	20	457,695		758,352	
Cash at bank and in hand		2,055,362		1,256,662	
		2,577,459		2,101,330	
CREDITORS					
Amounts falling due within one year	21	(1,837,214)		(1,012,728)	
NET CURRENT ASSETS			740,245		1,088,602
TOTAL ASSETS LESS CURRENT LIABILITIES			1,291,268		1,615,303
PROVISIONS FOR LIABILITIES	24		(17,766)		(21,865)
NET ASSETS			1,273,502		1,593,438
FUNDS					
Unrestricted income funds			234,921		235,056
Unrestricted designated funds			998,352		1,315,712
Restricted funds			40,229		42,670
TOTAL FUNDS	26		1,273,502		1,593,438

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 18/09/2023 and were signed on its behalf by:

.....
R Ramdin – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

COMPANY BALANCE SHEET
AT 31 MARCH 2023

	Notes	31.3.23 Total Funds £	31.3.23 Total Funds £	31.3.22 Total Funds £	31.3.22 Total Funds £
FIXED ASSETS					
Intangible assets	16		20,328		37,630
Tangible assets	17		437,191		373,993
Investments	18		1		1
			457,520		411,624
CURRENT ASSETS					
Stocks	19	64,402		86,316	
Debtors:	20	421,612		733,506	
Cash at bank and in hand		1,756,072		1,043,829	
		2,242,086		1,863,651	
CREDITORS					
Amounts falling due within one year	21	(1,659,032)		(916,893)	
NET CURRENT ASSETS			583,054		946,758
TOTAL ASSETS LESS CURRENT LIABILITIES			1,040,574		1,358,382
NET ASSETS			1,040,574		1,358,382
FUNDS					
Unrestricted designated funds			1,000,345		1,315,712
Restricted funds			40,229		42,670
TOTAL FUNDS	26		1,040,574		1,358,382

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

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R Ramdin – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

		Group 31.3.23 £	Group 31.3.22 £	Company 31.3.23 £	Company 31.3.22 £
Cash flows from operating activities	**1**	1,050,831	670,111	924,351	598,373
Tax paid		(4,097)	32,918	-	-
Net cash/(cost) from operating activities		1,046,734	703,029	924,351	598,373
Cash flows from investing activities					
Purchase of tangible fixed assets		(221,606)	(334,473)	(221,606)	(334,473)
Purchase of intangible fixed assets		-	-	-	-
Disposal of asset		-	5,911	-	5,914
Finance charges		(26,428)	(14,260)	(24,093)	(13,048)
Interest receivable		-	-	1,991	5,565
Net cash from investing activities		(248,034)	(342,822)	(243,708)	(336,042)
Cash flows from financing activities					
Subsidiary loan repayments to parent		-	-	31,600	31,600
New loan		-	-	-	-
Loan repayments		-	(850,000)	-	(750,000)
Net (cost)/cash from investing activities		-	(850,000)	31,600	(718,400)
(Decrease)/Increase in cash and cash equivalents in the reporting period		798,700	(489,793)	712,243	(456,069)
Cash and cash equivalents at the beginning of the reporting period	**2**	1,256,662	1,746,455	1,043,829	1,499,898
Cash and cash equivalents at the end of the reporting period	**2**	2,055,362	1,256,662	1,756,072	1,043,829

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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

1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 31.3.23 £	Group 31.3.22 £	Company 31.3.23 £	Company 31.3.22 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(319,936)	(10,419)	(317,809)	(10,419)
Depreciation/amortisation charges	197,283	120,107	175,711	95,280
Finance costs	26,428	14,261	24,093	13,048
Interest received	-	-	(1,991)	(5,565)
(Increase) / decrease in stock	21,914	(52,497)	21,914	(52,497)
Decrease / (increase) in debtors	300,658	329,408	308,574	371,976
Decrease / (Increase) in intercompany	-	-	(91,969)	(91,473)
Increase / (Decrease) in creditors	824,484	269,251	805,828	278,023
Net cash flow from operating activities	1,050,831	670,111	924,351	598,373

2. ANALYSIS OF CHANGES IN NET FUNDS

Group

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	1,256,662	798,700	2,055,362
	1,256,662	798,700	2,055,362
Debt			
Debts falling due within 1 year	-	-	-
Debts falling due after 1 year	-	-	-
	-	-	-
Total	1,256,662	798,700	2,055,362

Company

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	1,043,829	712,243	1,756,072
	1,043,829	712,243	1,756,072
Debt			
Debts falling due within 1 year	-	-	-
Debts falling due after 1 year	-	-	-
	-	-	-
Total	1,043,829	712,243	1,756,072

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

1. STATUTORY INFORMATION

South Downs Leisure (A Company Limited by Guarantee) is a registered charity. The Charity's registered number and registered office address can be found on the Charity Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the provisions of FRS 102 (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There were no material departures from that standard.

The group's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the group. The financial statements are therefore presented in British Pound Sterling.

Going concern
Last year the war in Ukraine had caused great uncertainty in the stability of gas and electricity supplies. Like many other companies we were faced with the prospect of extortionate prices for fixed price contracts. The decision was made to go with Northern Gas and Power (NGP) and to utilise the Day Ahead method of purchasing utilities until December 2022. Prices were constantly reviewed by the NGP broker and, when the prices began to stabilise, we began to hedge and contract our purchasing ahead of time; initially with 50% of our usage, then further percentages were hedged as the prices became more favourable. Taking a proactive approach to our utilities, along with an energy drive at all sites meant that, although the utility prices were of a previously unthinkable level, the costs were managed and were lower that than had been expected at the end of the financial year.

South Downs Leisure

- Splashpoint, our flagship swimming and leisure centre, was hardest hit by the escalating costs. This was countered by reducing opening hours, lowering pool temperatures and increasing swimming charges.
- Heating and lighting are closely monitored at all sites with efficiency measures being enforced.
- During the year two pay awards were made to help staff with the cost-of-living crisis: one in October 2022 and the second in April 2023.

South Downs Leisure Enterprises Limited

- Staff training
- Work re energy efficiency around the different areas of the site.

An Environmental and Sustainability Strategy was written and implemented at all sites. Environmental training had been provided to approximately 60 staff of all levels across the organisation in October 2021, so staff were already fully engaged in this when the utility crisis hit. The work in this area continues in an ongoing basis:

South Downs Leisure

- Creating an environmental and sustainability policy
- Applying for permission to install more solar panels
- Reducing all unnecessary usage of lighting, heating and cooling
- Installing LED lighting both inside and outside
- Contracting a new waste management company to audit and assist with our recycling goals
- Staff awareness and buy in to environmental and sustainability goals

3. ACCOUNTING POLICIES – continued

Going concern - continued

South Downs Leisure Enterprises Limited

- Investigating installing solar panels on the barn.
- Installing LED lighting both inside and outside.
- Supplier partnering on sustainable goals.
- Staff awareness and buy in to environmental and sustainability goals.

Sea Lanes National Open Water Swimming Centre

South Downs Leisure entered a contract to run the Sea Lanes National Open Water Swimming Centre in Brighton which opened to the public in June 2023. This is a new contract outside of our council partnerships which should strengthen our position and offering to the public.

The Board of Trustees have considered the uncertainties caused by the current cost of living crisis, the volatility in the utilities market as a result of the war in Ukraine and the potential impact that further strains of Covid -19 may have on the trust and whilst these issues do cause some uncertainty the Board are satisfied that it has taken mitigating actions that will reduce the impact of these uncertainties on the activities of the trust. In addition, the Board consider the level of reserves to be of a sufficient level to ensure that the trust will be able to meet its liabilities as they fall due and, for this reason, they consider it appropriate to continue to prepare the financial statements on a going concern basis.

Utilities

The utilities for the Worthing contract came up for renewal in October 2022. The fixed contract prices at this time, excluding non-commodity charges ranged from £1,635,530 for a one-year contract to £1,417,150 for a three-year contract. The decision was taken to not take out a fixed contract as the Charity would have not been able to pay these prices. The alternative was to go through a broker and purchase utilities at a Day Ahead price. This worked well between October and December 2022 where savings were made.

Advice was taken to start hedging our utilities from January 2023 as prices were coming down. As energy usage was being monitored, and consumption reduced wherever operationally possible, different percentages of utilities were purchased at different times.

£1,128,644 was hedged up to year 2025-2026. Fixed contracts would have cost £1,417,150 for the same period. The fair Value of the contracts at 31 March 2023 is £572,532.

Included within the £1,128,644 that was hedged was the one-year contract, which in isolation, would have shown a saving of £958,617 of hedged against fixed utilities contract. A loss of £375,170 on the fair value at 31 March 2023 shows the downwards trend of the cost of utilities during this initial period.

The reduction in the price of utilities has, therefore, shown a loss in the accounts. However, it is still believed that purchasing on Day Ahead and then hedging utilities has given the Charity more stability and ensured that the business continues to survive in such turbulent times. Any other method of purchasing utilities, that was available in September 2022, would not have been sustainable for the business and the trust took this measure to insure against its cash flow risk. As the market for utilities has softened we have worked with our energy brokers to assess if any of the trades should be sold and day ahead rates used instead. This has resulted in the sale of a number of the contracts for September and October 2023, those utilities will now be purchased on the day ahead rate in the expectation that it will be lower than the contacted rate.

Preparation of consolidated financial statements

The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary South Downs Leisure Enterprises Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account is not presented for the Charitable Company itself in accordance with the exemptions afforded by paragraph 397 of the SORP.

3. ACCOUNTING POLICIES – continued

Income recognition
All incoming resources from recreation and leisure sites are included on the Statement of Financial Activities when the charitable company is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the charitable company will receive the income. Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences. Some services are provided in advance of an invoice being raised and as such is accrued until the invoice has been raised and the income recognised in the income and expenditure account. Income for annual memberships is accounted for over the membership year.

Grants receivable
Grants receivable in respect of a specified period relating to the general activities of the charitable company are recognised in the Statement of Financial Activities in the period in which they become receivable. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use.

Government grants
Government grants are recognised when it is reasonably certain that the conditions attached the grant are met. The grant is recognised on an accruals basis over the period necessary to match with the costs that they are associated

During the year the Charitable Company received the following revenue based grant:
Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received has been included in income (note 5).

Unrestricted Funds
Unrestricted funds are incoming resources receivable or generated for the objects of the charitable company 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.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

Support costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative, and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets
Fixed assets costing in excess of £5,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and Fittings	- straight line over 5 years, straight line over 23 years
Exercise Equipment	- straight line over 5 years
IT, Audio & Visual Equipment	- straight line over 5 years
Fixed assets – Adur sites	- straight line over 4 years

3. ACCOUNTING POLICIES – continued

Intangible fixed assets
Intangible assets costing in excess of £5,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.
Computer Software - straight line over 5 years

Irrecoverable VAT
Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Service Concession Arrangements
The charitable company has a Service Contract with Worthing Borough Council for the operation of leisure centres owned by the Council to which it has lease and management service contracts. Worthing Borough Council has rights under the contracts to specify the activities offered by the centres and has influence over the prices charged for them and specifies minimum standards for the services to be provided.

Property, plant and equipment
The buildings and plant at the centres are leased to the charitable company as part of the overall contractual relationship with Worthing Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the leisure centres, so that the charitable company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the charitable company's Balance Sheet.

Stocks
Stocks are valued at the lower of cost and estimated selling price less costs to sell, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Debtors receivable and creditors payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Debtors receivable and creditors payable over one year
Debtors and creditors are stated at value due as an appropriate interest/discount rate is effectively applied.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Allocation and apportionment of costs
Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites and in performance of the health activities. Charitable activities are split into recreation, leisure site and health activities costs, which are those costs incurred directly in the running of each of the sites and health activities, and support costs which are those costs incurred directly in support of expenditure on the objects of the Charitable Company.

3. ACCOUNTING POLICIES – continued

Financial Instruments
The charitable company and subsidiary enter into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors
Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets
Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors
Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Charitable Company and subsidiary enter into other financial instruments that result in the recognition of financial assets and liabilities at fair value.

e) Forward contracts
As a result of the volatile utilities market the Charitable Company enters into forward contracts to manage its cash flow risk concerning the price of utilities in the future. The financial instrument is valued at the balance sheet date at fair value. Fair value gains and losses are recognised in the statement of other comprehensive income.

Taxation
The Charitable Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

3. ACCOUNTING POLICIES – continued

Pension costs and other post-retirement benefits
In respect of those defined benefit pension schemes where the local authority has indemnified the Charitable company against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of a contract, the amount charged to the statement of financial activities represents the contribution payable to the scheme in the accounting period without any actuarial adjustment.

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

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 to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in 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 deferred income relating to memberships and bookings for the following year.

4. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the Group Statement of Financial Activities include those of the Charitable Company's wholly owned subsidiary South Downs Leisure Enterprises Limited.

A summary of the financial activities undertaken by the Charitable Company is set out below:

			31.3.23	31.3.22
			£	£
Gross incoming resources	-	Operation of leisure centres	7,761,867	5,965,166
	-	Grants (note 6)	-	360,568
	-	Donations (note 5)	-	100,604
	-	Gift aid donation from subsidiary	-	41,155
	-	Other income (note 8)	(51,128)	241,187
			7,710,739	6,708,680
Total expenditure on charitable activities			(7,474,426)	(6,724,664)
Loan interest from subsidiary			1,991	5,565
Net incoming / (outgoing) resources			(238,304)	(10,419)

5. DONATION INCOME

	31.3.23	31.3.22
	£	£
Donation income	-	100,604
	-	100,604

The Charitable Company received £nil (2022: £100,104) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS) and £nil (2022: £500) from the Bowls Club for a defibrillator at Field Place.

Income from donations was £nil (2022: £100,604) of which £nil (2022: £100,604) was attributable to restricted funds and £nil (2022: £nil) was attributable to unrestricted funds.

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

6. INCOME FROM CHARITABLE ACTIVITIES - continued

			31.3.23	31.3.22
			£	£
Gross incoming resources	-	Operation of leisure centres	7,760,539	5,965,166
	-	Grants	1,328	360,568
Net incoming / (outgoing) resources			7,761,867	6,325,734

Income from charitable activities was £7,761,867 (2022: £6,325,734) of which £1,328 (2022: £28,715) was attributable to restricted funds and £7,760,539 (2022: £6,297,019) was attributable to unrestricted funds.

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

	31.3.23	31.3.22
	£	£
Other grants	1,328	-
Other Local Authority grants	-	360,568
Net incoming / (outgoing) resources	1,328	360,568

7. INCOMING / (OUTGOING) RESOURCES FROM COMMERCIAL TRADING OPERATIONS

A summary of the trading results of the wholly owned subsidiary South Downs Leisure Enterprises Limited is shown below:

	31.3.23	31.3.22
	£	£
Turnover	558,872	533,493
Cost of sales and administration costs	(559,008)	(486,773)
Gift aid donation from subsidiary to parent	-	(41,155)
Interest on inter-group loan	(1,991)	(5,565)
Net profit/(loss)	(2,127)	-

Included within turnover in the year ended 31 March 2023 is £nil (2022: £4,887) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS) and negative £126,177 (2022: £126,177) relating to the business interruption insurance claim that was recognised in the prior year based on the information available at that point in time but was not paid during the year.

8. OTHER INCOME

	31.3.23	31.3.22
	£	£
Business Interruption insurance claim	(177,306)	241,187
	(177,306)	241,187

There was no other income during the year ended 31 March 2023. In the prior year there was other income relating to a business interruption insurance claim based on the loss of earnings totalling £241,187.

Other income was £nil (2022: £241,187) of which £nil (2022: £241,187) was attributable to unrestricted funds.

9. NET INCOME/EXPENDITURE OF THE PARENT CHARITABLE COMPANY

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent Charitable Company is not presented as part of these financial statements. The parent Charitable Company's net incoming resources was £314,939 (2022: £(10,419) outgoing resources).

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

10. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES COSTS

	Direct Costs	Direct Staff Costs	Support Costs (see note 11)	31.3.23 Total Charitable Activities	31.3.22 Total Charitable Activities
	£	£	£	£	£
Leisure, recreation and health activities	3,435,810	3,702,210	336,406	7,474,426	6,724,664

£3,769 (2022: £126,151) of the above costs were attributable to restricted funds and £7,470,657 (2022: £6,598,513) of the above costs were attributable to unrestricted funds.

11. SUPPORT COSTS

Support costs, included in the above, are as follows:

	31.3.23 Operation of leisure, recreation sites and health activities	31.3.22 Operation of leisure, recreation sites and health activities
	£	£
External support services	101,635	92,270
Advertising & marketing	39,647	44,720
Office administration	116,807	78,974
Consultancy	8,436	500
Training	3,165	4,856
Finance costs	24,093	13,048
Governance costs	26,390	41,650
Other support costs	16,233	8,921
	336,406	284,939

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and health services.

12. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/ (crediting):

	31.3.23	31.3.22
	£	£
Hire of equipment	20,968	122,761
Depreciation	160,112	103,072
Amortisation	16,189	17,036
Auditors' remuneration	21,000	21,859
Auditors' remuneration for non-audit work	4,380	3,675

13. TRUSTEES' REMUNERATION AND BENEFITS

Staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff and not in respect of their services as trustees. Other trustees did not receive any payments from the Trust in respect of their roles as trustees.

The value of trustees' remuneration (Gross salary, employer's NI, employer's pensions) was as follows:

P Spencer-Snell (Staff trustee):
Remuneration: £15,001 - £20,000 (2022: £20,001 - £25,000)
Employer's pension contributions: £0 - £5,000 (2022: £5,001 - £10,000)
J Finch (Staff trustee):
Remuneration: £0 - £5,000 (2022: £nil)
Employer's pension contributions: £0 - £5,000 (2022: £nil)

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

14. STAFF COSTS

	31.3.23 £	31.3.22 £
Company		
Wages and salaries	3,295,807	2,988,236
Social security costs	168,876	153,219
Defined benefit pension costs	236,993	241,954
Redundancy and severance payments	534	8,391
	3,702,210	3,391,800
Subsidiary		
Wages and salaries	114,565	79,471
Social security costs	8,710	5,570
Other pension costs	7,331	5,063
	130,607	90,104
	3,832,816	3,481,904

There were two redundancies in the year totalling £534 (2022: £8,391).

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

31.3.23	31.3.22
366	318

The total amount of employee benefits received by key management personnel was £482,230 (2022: £312,536). The Charitable Company considers its key management personnel to be the Chief Executive, Finance Director, Operations Director, HR Executive, Business Development Manager, two Operations Managers and staff trustees.

The number of employees whose emoluments fell within the following bands was:

	31.3.23	31.3.22
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
	2	1

14. STAFF COSTS - continued

The number of employees earning in excess of £60,000 (for the year) to whom retirement benefits are accruing:

31.3.23	31.3.22
2	1

15. TAXATION

The Charitable Company paid no corporation tax during the year. Provisions for £nil (2022: £nil) have been made at 31 March 2023 for corporation tax due in respect of the surplus from trading activities recorded in the year ended 31 March 2023. During the year ended 31 March 2023 all trading activities were conducted by the wholly owned subsidiary, South Downs Leisure Enterprises Limited.

South Downs Leisure Enterprises Limited has provisions included of £17,766 (2022: £21,865) in respect of deferred taxation and a corporation tax creditor of £5,627 (2022: £3,821 – no provided for in 31 March 2022 accounts) in respect of corporation tax payable on profits relating to trading income. The analysis of the tax charge on the profit for the year was as follows:

	31.3.23 £	31.3.22 £
Current tax:		
UK corporation tax	5,627	-
Under provision of corporation tax in the prior year	3,821	-
Deferred taxation movement	(397)	(4,717)
Tax on trading profit	(9,051)	(4,717)

16. INTANGIBLE FIXED ASSETS

Group and company

	Computer software £
COST	
At 1 April 2022	112,984
Additions	-
Disposals	(1,113)
At 31 March 2023	111,871
AMORTISATION	
At 1 April 2022	75,354
Charge for year	16,189
Eliminated on disposal	-
At 31 March 2023	91,543
NET BOOK VALUE	
At 31 March 2023	20,328
At 31 March 2022	37,630

17. TANGIBLE FIXED ASSETS

Group

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2022	625,201	487,524	114,503	1,227,228
Additions	174,245	47,361	-	221,606
Disposals	(8,309)	(400)	-	(8,709)
At 31 March 2023	791,137	534,485	114,503	1,440,125
DEPRECIATION				
At 1 April 2022	330,749	296,769	110,639	738,157
Charge for year	129,424	50,460	1,398	181,283
Eliminated on disposal	(7,608)	(2,401)	-	(10,009)
At 31 March 2023	452,565	344,828	112,037	909,430
NET BOOK VALUE				
At 31 March 2023	338,572	189,657	2,466	530,695
At 31 March 2022	294,452	190,755	3,864	489,071

Company

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2022	625,201	262,861	114,503	1,002,565
Additions	174,245	47,361	-	221,606
Disposals	(8,309)	-	-	(8,309)
At 31 March 2023	791,137	310,222	114,503	1,215,862
DEPRECIATION				
At 1 April 2022	330,749	187,184	110,639	628,572
Charge for year	129,424	29,289	1,398	160,111
Eliminated on disposal	(7,608)	(2,404)	-	(10,012)
At 31 March 2023	452,565	214,069	112,037	778,671
NET BOOK VALUE				
At 31 March 2023	338,572	96,153	2,466	437,191
At 31 March 2022	294,452	75,677	3,864	373,993

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

18. FIXED ASSET INVESTMENTS

Company

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

There were no investment assets outside the UK.

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

South Downs Leisure Enterprises Limited (company number 09261501)
Nature of business: Operation of an events venue

Class of share:	% holding
Ordinary	100

	31.3.23	31.3.22
	£	£
Aggregate capital and reserves	232,929	235,056
Profit/(Loss) for the year	(2,127)	-

19. STOCKS

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Stocks	64,402	86,316	64,402	86,316

Stock amounts recognised within expenditure for the current period are £395,269 (2022: £227,845).

20. DEBTORS

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Trade debtors	87,830	139,451	78,539	125,737
Other debtors	20,437	13,402	20,437	13,402
Loan to associate under 1 year	-	-	-	31,600
Prepayments and accrued income	349,427	605,499	294,355	562,767
Amounts owed by group undertakings	-	-	28,281	-
	457,695	758,352	421,612	733,506
Loan to associate over 1 year	-	-	-	-
Aggregate amounts	457,695	758,352	421,612	733,506

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Trade creditors	241,928	136,990	230,915	111,552
Social security and other tax	55,301	142,240	46,374	141,415
Other creditors	579,589	29,732	579,589	29,732
Accrued expenses	667,556	483,588	667,556	474,406
Deferred income	292,840	220,178	134,598	96,100
Amounts due to group undertakings	-	-	-	63,688
	1,837,214	1,012,728	1,659,052	916,893

The Charitable Company has entered into forward contracts to purchase utilities in the future at a contracted rate.

The forward contracts relate to periods which span from April 2023 to April 2026 and the purchases of utilities that the forward contracts relate to also span from April 2023 to April 2026.

The whole change in the fair value of the forward contracts has been recognised in Other Comprehensive Income at the year end. No amounts were reclassified from equity to income and expenditure.

Deferred Income

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Deferred income at the start of the year	220,178	309,770	96,100	224,287
Deferred during the period	292,840	220,178	134,598	96,100
Amounts released to income from prior periods	(220,178)	(184,518)	(96,100)	(224,287)
Deferred income at the end of the year	292,840	220,178	134,598	96,100

Deferred income at 31 March 2023 for the Charitable Company represents annual leisure membership income and hires, where the consideration has been received in the year ended 31 March 2023 but the services were only provided following the year end. The Group deferred income also includes venue hire income under the same principles.

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Deferred taxation	17,766	21,865	-	-
	17,766	21,865	-	-

23. OPERATING LEASE COMMITMENTS

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	31.3.23	31.3.22
Due < 1 year	7,225	7,225
Due 1-2 years	6,808	7,225
Due 2-5 years	-	6,806
	14,033	21,256

Operating lease amounts recognised within expenditure for the current period are £20,968 (2022: £44,900).

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group			31.3.23	31.3.22
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed Assets	551,023	-	551,023	526,701
Current Assets	2,537,230	40,229	2,577,459	2,101,330
Current Liabilities	(1,854,980)	-	(1,854,980)	(1,012,728)
Long Term Liabilities	-	-	-	(21,865)
	1,233,273	40,229	1,273,502	1,593,438

Company			31.3.23	31.3.22
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed Assets	457,519	-	457,519	411,623
Investment	1	-	1	1
Current Assets	2,201,857	40,229	2,242,086	1,863,651
Current Liabilities	(1,659,032)	-	(1,659,032)	(916,893)
Long Term Liabilities	-	-	-	-
	1,000,345	40,229	1,040,574	1,358,382

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

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	Unrestricted funds	Restricted funds	31.3.22 Total funds	31.3.21 Total funds
	£	£	£	£
Fixed Assets	526,701	-	526,701	318,248
Current Assets	2,058,660	42,670	2,101,330	2,868,034
Current Liabilities	(1,012,728)	-	(1,012,728)	(793,343)
Long Term Liabilities	(21,865)	-	(21,865)	(789,082)
	1,550,768	42,670	1,593,438	1,603,857

Company	Unrestricted funds	Restricted funds	31.3.22 Total funds	31.3.21 Total funds
	£	£	£	£
Fixed Assets	411,623	-	411,623	178,344
Investment	1	-	1	1
Current Assets	1,820,981	42,670	1,863,651	2,670,798
Current Liabilities	(916,893)	-	(916,893)	(817,842)
Long Term Liabilities	-	-	-	(662,500)
	1,315,712	42,670	1,358,382	1,368,801

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

25. MOVEMENT IN FUNDS

Group	At 1.4.22	Net movement in funds	At 31.3.23
Unrestricted funds			
General	235,056	(135)	234,921
Designated	1,315,712	238,753	1,554,465
Designated cashflow hedge	-	(556,113)	(556,113)
	1,550,768	(317,495)	1,233,273
Restricted funds			
Short Breaks Buddy PT	6,158	-	6,158
Walking Football	1,009	-	1,009
Disability Fun Day	5,702	-	5,702
Awards for all	9,950	-	9,950
Green Dreams	3,536	(1,057)	2,479
Winter Pressures Chair Based Pilates	4,305	-	4,305
Aiming High Trampoline Equipment	1,528	-	1,528
Safe in Sussex Community Grant	-	-	-
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
WSCC HAF	7,703	-	7,703
Field Place Defib	-	-	-
The Great Outdoors	1,672	(1,384)	288
Coronavirus Job Retention Scheme	-	-	-
	42,670	(2,441)	40,229
TOTAL FUNDS	1,593,438	(319,936)	1,273,502

Company	At 1.4.22	Net movement in funds	At 31.3.23
Unrestricted funds			
Designated	1,315,712	240,746	1,556,458
Designated cashflow hedge	-	(556,113)	(556,113)
	1,315,712	(315,367)	1,000,345
Restricted funds			
Short Breaks Buddy PT	6,158	-	6,158
Walking Football	1,009	-	1,009
Disability Fun Day	5,702	-	5,702
Awards for all	9,950	-	9,950
Green Dreams	3,536	(1,057)	2,479
Winter Pressures Chair Based Pilates	4,305	-	4,305
Aiming High Trampoline Equipment	1,528	-	1,528
Safe in Sussex Community Grant	-	-	-
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
WSCC HAF	7,703	-	7,703
Field Place Defib	-	-	-
The Great Outdoors	1,672	(1,384)	288
Coronavirus Job Retention Scheme	-	-	-
	42,670	(2,441)	40,229
TOTAL FUNDS	1,358,382	(317,808)	1,040,574

25. MOVEMENT IN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	At 1.4.21	Net movement in funds	At 31.3.22
Unrestricted funds			
General	235,056	-	235,056
Designated	1,334,186	(18,474)	1,315,712
	1,569,242	(18,474)	1,550,768
Restricted funds			
Short Breaks Buddy PT	6,158	-	6,158
Walking Football	759	250	1,009
Disability Fun Day	5,702	-	5,702
Awards for all	9,950	-	9,950
Green Dreams	2,606	930	3,536
Winter Pressures Chair Based Pilates	4,305	-	4,305
Aiming High Trampoline Equipment	1,528	-	1,528
Safe in Sussex Community Grant	2,500	(2,500)	-
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
WSCC HAF	-	7,703	7,703
Field Place Defib	-	-	-
The Great Outdoors	-	1,672	1,672
Coronavirus Job Retention Scheme	-	-	-
	34,615	8,055	42,670
TOTAL FUNDS	1,603,857	(10,419)	1,593,438

Company	At 1.4.21	Net movement in funds	At 31.3.22
Unrestricted funds			
Designated	1,334,186	(18,474)	1,315,712
	1,334,186	(18,474)	1,315,712
Restricted funds			
Short Breaks Buddy PT	6,158	-	6,158
Walking Football	759	250	1,009
Disability Fun Day	5,702	-	5,702
Awards for all	9,950	-	9,950
Green Dreams	2,606	930	3,536
Winter Pressures Chair Based Pilates	4,305	-	4,305
Aiming High Trampoline Equipment	1,528	-	1,528
Safe in Sussex Community Grant	2,500	(2,500)	-
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
WSCC HAF	-	7,703	7,703
Field Place Defib	-	-	-
The Great Outdoors	-	1,672	1,672
Coronavirus Job Retention Scheme	-	-	-
	34,615	8,055	42,670
TOTAL FUNDS	1,368,801	(10,419)	1,358,382

25. MOVEMENT IN FUNDS – continued

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	558,872	(559,007)	-	(135)
Designated	7,709,410	(7,470,657)	-	238,753
Designated cashflow hedge	-	(556,113)		(556,113)
	8,268,282	(8,585,777)	-	(317,495)
Restricted funds				
Short Breaks Buddy PT	-	-	-	-
Walking Football	-	-	-	-
Disability Fun Day	-	-	-	-
Green Dreams	1,328	(2,385)	-	(1,057)
Winter Pressures Chair Based Pilates	-	-	-	-
Aiming High Trampoline Equipment	-	-	-	-
Safe in Sussex Community Grant	-	-	-	-
WSCC HAF	-	-	-	-
Field Place Defib	-	-	-	-
The Great Outdoors	-	(1,384)	-	(1,384)
HMRC Job Retention Scheme Grant	-	-	-	-
	1,328	(3,769)	-	(2,441)
TOTAL FUNDS	8,269,610	(8,589,546)	-	(319,936)

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	7,711,402	(7,470,656)	-	240,746
Designated cashflow hedge	-	(556,113)		(556,113)
	7,711,402	(8,026,769)	-	(315,367)
Restricted funds				
Short Breaks Buddy PT	-	-	-	-
Walking Football	-	-	-	-
Disability Fun Day	-	-	-	-
Green Dreams	1,328	(2,385)	-	(1,057)
Winter Pressures Chair Based Pilates	-	-	-	-
Aiming High Trampoline Equipment	-	-	-	-
Safe in Sussex Community Grant	-	-	-	-
WSCC HAF	-	-	-	-
Field Place Defib	-	-	-	-
The Great Outdoors	-	(1,384)	-	(1,384)
HMRC Job Retention Scheme Grant	-	-	-	-
	1,328	(3,769)	-	(2,441)
TOTAL FUNDS	7,712,730	(8,030,538)	-	(317,808)

25. MOVEMENT IN FUNDS – continued

Comparative information in respect of the preceding period is as follows

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	533,493	(486,773)	(46,720)	-
Designated	6,533,319	(6,598,513)	46,720	(18,474)
	7,066,812	(7,085,286)	-	(18,474)
Restricted funds				
Short Breaks Buddy PT	-	-	-	-
Walking Football	250	-	-	250
Disability Fun Day	-	-	-	-
Green Dreams	2,668	(1,738)	-	930
Winter Pressures Chair Based Pilates	-	-	-	-
Aiming High Trampoline Equipment	-	-	-	-
Safe in Sussex Community Grant	-	(2,500)	-	(2,500)
WSCC HAF	12,995	(5,292)	-	7,703
Field Place Defib	500	(500)	-	-
The Great Outdoors	12,802	(11,130)	-	1,672
HMRC Job Retention Scheme Grant	104,991	(104,991)	-	-
	134,206	(126,151)	-	8,055
TOTAL FUNDS	7,201,018	(7,211,437)	-	(10,419)

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	6,584,926	(6,603,400)	-	(18,474)
	6,584,926	(6,603,400)	-	(18,474)
Restricted funds				
Short Breaks Buddy PT	-	-	-	-
Walking Football	250	-	-	250
Disability Fun Day	-	-	-	-
Green Dreams	2,668	(1,738)	-	930
Winter Pressures Chair Based Pilates	-	-	-	-
Aiming High Trampoline Equipment	-	-	-	-
Safe in Sussex Community Grant	-	(2,500)	-	(2,500)
WSCC HAF	12,995	(5,292)	-	7,703
Field Place Defib	500	(500)	-	-
The Great Outdoors	12,802	(11,130)	-	1,672
HMRC Job Retention Scheme Grant	100,104	(100,104)	-	-
	129,319	(121,264)	-	8,055
TOTAL FUNDS	6,714,245	(6,724,664)	-	(10,419)

25. MOVEMENT IN FUNDS – continued

Short Breaks Buddy PT
Discounted PT sessions and gym access for children with disabilities aged 14-18 years.

Walking Football
A lower impact, slower version of the game aimed at those over 50.

Exercise Referrals
A programme of GP referrals funded by Adur District Council.

Leisure Futures
A funded project to look into the building of a new leisure centre to replace Worthing Leisure Centre.

Winter Pressures Chair Based Pilates
The overarching aim of the programme is to improve health outcomes and reduce the demand for services by reducing the risk of falls in older people.

Aiming High Trampoline Equipment
Funding for equipment to support children and young people with disabilities and mobility issues to take part in trampolining session.

Safe in Sussex Community Grant
The grant is aimed at providing local organisations financial support to reduce crime and improve safety in their local areas using various initiatives.

Dementia Friendly Pottery
Funding for the provision of regular 'relaxed' pottery sessions for people with Dementia and Alzheimer's.

Disability Disco
A funded project to host 'Silent Discos' for young people with learning difficulties and physical disabilities.

WSCC Holiday and Food Grant
West Sussex County Council offers grant funding to providers to deliver activities and food during the school holidays.

The Great Outdoors
The Great Outdoors AW campaign aims to remind residents of the great natural resources on our doorstep

26. CAPITAL COMMITMENTS

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Contracted for but not provided for in the financial statements	-	194,244	-	194,244

27. LEGAL STATUS

The Charity is a Company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

28. RELATED PARTY TRANSACTIONS

During the year South Downs Leisure engaged in services from Inspace Fitness Limited, a company in which Phillip Griffin, a trustee, is a director. £214,349 + VAT (2022: £486,443) was invoiced for gym equipment. As at 31 March 2023, South Downs Leisure owed £26,264 (2022: £1,861) to Inspace Fitness Limited.

South Downs Leisure Enterprises Limited

During 2018 a loan of £158,000 was made to South Downs Leisure Enterprises Limited, a company fully owned by South Downs Leisure, at a commercial rate of 6% per annum. During the year £31,600 was repaid (2022: £31,600) which incurred interest of £1,991 (2022: £5,565). At 31 March 2023 £nil (2022: £31,600) was outstanding and is included in creditors in the Charitable Company.

During the year costs were recharged to South Downs Leisure Enterprises for wages, rent, management charges and VAT, as at 31 March 2023 South Downs Leisure Enterprises was owed £nil from the parent (2022: £63,688). The parent company was owed £28,281 (2022: £nil) from the subsidiary as at 31 March 2023.

SOUTH DOWNS LEISURE

England & Wales - Charity number 1163564

Accounts

REGISTERED COMPANY NUMBER: 9204269 (England and Wales)
REGISTERED CHARITY NUMBER: 1163564

REPORT OF THE TRUSTEES AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 FOR SOUTH DOWNS LEISURE (A COMPANY LIMITED BY GUARANTEE)

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

This year has brought with it many challenges and undoubtedly, there will be more to come.

To begin with, a few positives, of which there are many. We opened all our facilities in Worthing and the Adur contract in May 2021 as well as opening a new football centre at Palatine Park in December 2021.

Recovery
Our membership recovered to 80% of pre-covid numbers and the swimming lessons recovered to 90%. Many of the clubs that stopped during the various lockdowns have now returned and we are starting to see new clubs and groups request space.

With our general usage down compared to those of 2019 we have managed and controlled staffing and general costs. Our staff budget across both contracts is similar to the costs for only the Worthing contract in 2019. We have achieved this through:

- Restructure in the management team
- Outsourcing our café's at Lancing, Splashpoint and Worthing Leisure Centre
- Outsourcing our holiday programme at Worthing Leisure Centre
- Only focusing on the core product and growing staff numbers cautiously
- Reduced opening hours at Adur as we grew the product

Improvements
We have made significant investments into the facilities across both contracts during 2021 and the list below exceeds £750,000 of improvements.

Worthing Contract
- New fitness equipment at Worthing LC and Splashpoint
- Refurbished gym and pole fitness studio
- Refurbished flooring, heating and lighting where required
- Refurbished café (DRNK) and new furniture at Splashpoint
- Improved LED lighting

Adur Contract
- New fitness equipment and bikes at Southwick
- New studio at Southwick and Lancing
- Refurbished gym at Southwick
- Refurbished reception at Southwick
- Refurbished changing facilities, showers, and lockers at Southwick and Lancing
- New soft play equipment and inflatables at Southwick and Lancing
- Refurbished café at Lancing (DRNK)
- New pool cover
- New LED lighting at all facilities

We also encountered a high number of Health and Safety and maintenance issues at the Adur contract that required immediate attention to bring the facilities back up to the high standards we expect at South Downs Leisure. An example of this would be the main hall lighting at Southwick that forced a ten-day closure and £12,000 investment from South Downs Leisure to make safe.

Sustainable Development
In October 2021 we started work on a Sustainable Development strategy for South Downs Leisure and worked with Dr. Amanda Turner on this project who has since become a Trustee. We have trained 50 staff in Sustainable development and 9 have gone on to complete an NVQ in Sustainable Development. This has created a very positive culture and drive across the organisation to reduce our carbon footprint with all decisions focusing on the 3P's.

Sustainable Development - continued

Our Sustainable Development Strategy covers the period from 2022 – 2026 and is the first phase of South Downs Leisure dry side facilities becoming net zero by 2030.

Enterprise
Our weddings and corporate hospitality had a steady return putting us in a strong position this year to make a profit. We have seen a significant investment into the facilities at Field Place and our future bookings are good.

Sea Lanes
We signed the contract for this exciting project in August 2022 and the build works will commence in October for the 50m Lido on Brighton Sea front. Fortunately, we secured a three-year utility price back in May 2022 whilst the market was relatively low.

Utilities
This is the biggest threat to our industry, and possibly a greater threat than Covid, as the government have been slow to recognise the impact this will have on swimming pools. We continue to work hard on driving down our need for fossil fuels and explore all options to maintain profitability through challenging utility prices which may include reducing product offerings in the short term and seeking council or government assistance. Nevertheless, we are in a strong position with reserves at a good level and costs, with the exception of utilities, in control.

Finally, I would like to thank our trustees for providing ongoing support and guidance for the South Downs Leisure team and I also need to thank and bid farewell to Kris von Habsburg who has given great support to South Downs Leisure since its inception back in 2014 and Sharon Price who also started with us in 2015.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also Directors of the Charitable Company for the purposes of the Companies Act 2006, present their report with the financial statement for the year ending 31 March 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

REFERENCE & ADMINISTRATIVE DETAILS

Name of charity
South Downs Leisure

Name of subsidiary
South Downs Leisure Enterprises Ltd

Charity and company registration
South Downs Leisure 09204269, Charity number 1163564
South Downs Leisure Enterprises Ltd 09261501

Registered office
Field Place Manor House, The Boulevard, Worthing, West Sussex BN13 1NP
Telephone and website
01903 905050
www.southdownsleisure.co.uk

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

Bank
Lloyds Banking Group
City Office
PO Box 72, Bailey Drive, Gillingham Business Park, Gillingham ME8 0L

Solicitors
Joanna Bussell
Winckworth Sherwood
Minerva House, 5 Montague Close, London SE1 9BB

Trustees

	Appointed	Resigned
K von Habsburg (Chair)	5 February 2015	13 June 2022
J Lawrence-Hall	5 February 2015	
S Price	3 November 2015	13 December 2021
A Fleetwood	1 July 2019	
R Ramdin (vice Chair)	16 October 2019	
P Griffin	24 August 2020	
P Newton	24 August 2020	
P Spencer-Snell	26 October 2020	
V Turner	26 October 2020	7 May 2021
C James	26 October 2020	
P Greenwood-Pearsons	22 October 2021	
A Turner	28 April 2022	

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

South Downs Leisure is a charitable company limited by guarantee constituted on 4 September 2014 and governed by articles and memorandum of association.

Charitable status was applied following the incorporation of the Trust and was awarded shortly after the Trust commenced trading on 1 May 2015. The trustees are also directors of the charity for the purposes of the Companies Act.

The charity has a wholly owned trading subsidiary, South Downs Leisure Enterprises Ltd, whose non-primary purpose is to provide trading activities to support the activities of the Trust.

Recruitment and Appointment of Trustees

Unless otherwise determined by the company, the Board shall consist of at least three and not more than eleven individuals comprised as follows:

- Up to 8 Community Trustees
- Up to 2 Local Authority Trustees
- Up to 1 Employee Trustee

Community Trustees will always be a majority on the Board.

New community Trustees are recruited in accordance with the Board's agreement and with our Articles of Association. We will always look to complement and strengthen the skills and experience of the Trustee team on the Board. Community Trustees are appointed for three years with membership being reviewed annually.

Recruitment of the employee Trustee was initially by appointment by the senior management team in accordance with the Articles of Association but from 2016 this was changed to election by employees as agreed by the Board.

The Local Authority confirms its nominations and appointments as and when Local Authority vacancies arise.

Organisational Structure

The current Board consists of seven community Trustees providing a range of experience and professional expertise.

Rachel Ramdin is Chair and Paula Newton is vice Chair.

We have three sub-groups which meet throughout the year to support the Board:

Finance

Andrew Fleetwood, Rachel Ramdin

People and Goverance

Joanne Lawrence Hall, Rachel Ramdin, Paula Spencer-Snell

Enterprise Directors

Joanne Lawrence Hall, Penelope Greenwood-Pearsons, Paula Newton, Duncan Anderson

We held the following meetings for the period ended 31 March 2022:

- 4 x Board meetings
- 3 x Finance meetings
- 3 x People and Governance meetings
- 4 x Enterprise meetings
- 2 x Remuneration meetings.

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

South Downs Leisure Trustees
Kris von Habsburg (Chair – retired June 2022)
Rachel Ramdin (Chair)
Paula Newton (Vice Chair)
Joanne Lawrence Hall
Sharon Price (Resigned December 2021)
Andrew Fleetwood
Phill Griffin
Charles James (Councillor)
Paula Spencer-Snell (Staff Trustee)
Penelope Greenwood-Pearsons
Amanda Turner
Valerie Turner (Resigned May 2021)

To facilitate the effective operation of the Charity the Board has delegated the responsibility of administering the Charity to a Senior Management Team:

- Chief Executive Officer
- Finance Director
- Sales and Marketing Director
- Operations Director
- Human Resources Manager

Risk Management
The Trustees have a duty to identify and review the risks to which the charity is exposed and ensure appropriate controls are in place. A risk report is part of each Board agenda. The following initiatives have been implemented to reduce risk and improve risk management:

- A risk report at each Board meeting.
- A SWOT analysis conducted annually to identify weaknesses and threats.
- A calendar of audits which include Health & Safety, Financial, Quality audits.
- Sales and Generic mystery visits and Net Promoter Score surveys to ensure we are delivering the service to expectation.
- Affiliation to the Quest industry accreditation scheme to maintain high standards across all sections of our business: The current position of each site is as below.

We have completed 2 Quest Prime (recovery) audits this year at Splashpoint and Lancing. Splashpoint scored excellent and Lancing scored very good. These are extensive audits looking at all areas of the business.

Health and Safety
South Downs Leisure is committed to embedding a culture of proactive health and safety management throughout the organisation and to that end a dedicated Group Health and Safety Manager was appointed in 2020 to take overall day-to-day responsibility for Health and Safety compliance across the seven sites.

The Operations Director oversees regular cross-site meetings with the Operations Managers, and we aim for each site to have an appointed NEBOSH (The National Examination Board in Occupational Safety and Health) representative in this area supported by IOSH (Institution of Occupational Safety and Health) trained duty staff. We have trained 6 members of staff in IOSH this year to further develop skills across the sites.

Accident and incident reporting
South Downs Leisure retains the services of Right Directions and the Data Hub digital platform. Right directions are a recognised industry leader in the Health and Safety field and have provided excellent support during the Pandemic with over 20 specialist clinics. The site managers and sections heads are provided with up-to-date information and notifications of changes in legislation, together with the calendar of audits, advice, and support in respect of litigation claims.

The reporting platform provides update data for managers to review and action. In the past year we have had no RIDDOR reportable accidents. 96% of accidents reported were for customers and 4% for staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Objectives and Activities

The objectives of the charitable company are:

- To provide or assist in the provision of both outdoor facilities in the interest of social welfare for recreation or other leisure time occupation of individuals who have need of such reason by their youth, age, infirmity or disability, financial hardship or social circumstances or to the public at large with the object of improving their conditions of life, and/or
- To promote community participation in healthy recreational activities, and/or
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the condition of life for all those who use the facilities, and/or
- To promote the education of the public through the provision of facilities for the provision of performing arts, and/or such other charitable purposes as the Trustees in their absolute discretion may determine.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. We have referred to this guidance when reviewing our business plan and planning new activities for the future.

Our Vision and Mission

The Trust established a Vision, Mission Statement and Values outlined below, with our Vision reflecting the UK Active National agenda.

OUR VISION

More People, More Active, More Often.

MISSION

To deliver an inclusive range of health and wellbeing initiatives whilst providing a clean, safe and happy leisure experience.

OUR VALUES

Integrity

We will be open, honest and friendly when communicating with customers and partners, treating everyone with respect.

Equality, diversity and inclusion

We aim to ensure that the opportunities the Trust provides are accessible, are available on a non-discriminatory basis and provide maximum health and wellbeing benefits for all.

Continuous Improvement

We will strive to make the experience of users and visitors better by continually reviewing our activities and procedures.

Partnership working

We will develop and sustain strong and effective partnerships with local and national organisations in pursuit of our vision: More People, More Active, More Often.

Innovation

We will explore the introduction of new products and services, driven by technology, industry research and best practice.

Staffing

We will ensure that all our staff are professionally qualified and/or appropriately trained to deliver the service required and respond effectively and quickly to customer enquiries.

OBJECTIVES AND ACTIVITIES – continued

Environmental awareness
We will endeavour to be an environmentally conscious organisation and will continually review our services to ensure best practice.

A Strong Board
Selection and recruitment of the Board was planned with a clear vision to provide a good range of interested, articulate and passionate volunteers with a strong mix of experience, age, and gender. The Board has developed a deep understanding of the aims of the Trust and provide strong, but challenging, support and guidance.

Executive Management Team
The Exec Management Team is led by the Chief Executive and includes, Finance Director, Operations Director, Sales & Marketing Director, Group Facility Manager Worthing, Group Facility Manager Adur, HR Executive and the Group Development Manager. Below this we have a Senior Management team.

A number of sub groups were held throughout the year to ensure the delivery of the business plan.

Remuneration policy for key management personnel
A remuneration committee is in place for future review of remuneration for key management personnel. Historically all changes in grade have been passed by the HR/People and Governance subgroup. Cost of living increases are passed by the Board.

Training
We are committed to understanding the sector we operate in and the local and national agenda. To achieve this, we must ensure staff have every opportunity to attend conferences and seminars and attend Continuous Professional Development courses.

We have committed to funding CIMSPA membership, which is our Chartered Institute. We have been able to take advantage of several free courses through CIMSPA in addition to other external and internal training.

We are committed to maintaining this budget for the future and looking to continue with the mentoring scheme and management training on alternate years.

OBJECTIVES AND ACTIVITIES – continued

Workforce Make Up

The total workforce at the time of TUPE was 367 employees. There was a total of 419 employees at this time in September 2020. The total workforce number does fluctuate monthly by approx. 25 employees due to two factors; seasonal variations around busy/school holiday periods and taking off the casual employees who have not worked within the organisation for the last three months which is an Inland Revenue requirement.

Gender Pay Gap Reporting

On 6 April 2017, new regulations came into force requiring organisations with 250 or more employees to publish annual reports containing detailed information regarding the Gender Pay Gap (including bonus pay) between men and women across their workforce.

Gender Pay Gap - March 2022	MALE				FEMALE			
	Number	Mean	Median	%	Number	Mean	Median	%
Whole Organisation	192	11.61	8.83	0.38	312	12.6	8.99	0.62
Upper Quartile	35	20.74	20.35	0.28	91	20.02	20.35	0.72
Upper Middle Quartile	56	12.45	12.71	0.44	70	12.26	12.71	0.56
Lower Middle Quartile	39	8.76	8.72	0.31	87	8.71	8.72	0.69
Lower Quartile	62	7.48	7.64	0.49	64	7.69	8.2	0.51
	192	**61.04**	**58.25**	**1.90**	**312**	**61.28**	**58.97**	**3.10**

In summary we are proud to report that there continues to be a fair balance of pay rates between male and female employees across the organisation.

STAFF PROFILES

As of July 2022	
Total staff numbers	434
Ethnic minorities*	9%
Disabled	1%
Total posts	830

* Ethnic Minorities is inclusive of anyone who has disclosed themselves as not being white British.

We continue to use fair recruitment practices and ensure open and transparent processes to encourage all interested parties to apply for roles.

We are proud that we have obtained again the Disability Confident accreditation and are taking part in the EmployAbility scheme to assist disabled people into the leisure workforce.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES – continued

Continuous Improvement

A key to the success of South Downs Leisure is in the desire to improve, reinvest and be at the forefront of new initiatives. We actively support CIMSPA membership (the Chartered Institute for the Management of Sport and Physical Activity) with the senior management team being members. We also work closely with Community Leisure UK attending regular calls and conferences.

Please see table below detailing the historical performance monitors since SDL was formed and the status of current audits. Both SPLC and LLC have also been through QUEST assessment this year.

Audits	2017/18	2018/19	2019/20	2021/22
Quality Audits Worthing LC	92%	90%	83%	on hold
Quality Audits Splashpoint	93%	92%	89%	on hold
Quality Audits Field Place	91%	88%	84%	on hold
Quality Audits Davison LC	91%	87%	78%	on hold
H&S Audit Worthing LC	91%	91%	90%	87%
H&S Audit Splashpoint	93%	87%	91%	90%
H&S Audit Field Place	94%	93%	94%	91%
H&S Audit Davison LC	86%	87%	92%	86%
H&S Audit Lancing	NA	NA	NA	84%
H&S Audit Southwick	N/A	N/A	N/A	81%
H&S Audit Wadurs	N/A	N/A	N/A	85%
NPS Adur	N/A	N/A	N/A	55%
NPS Worthing	39%	39%	41%	49%

	on target
	<15%
	>15%

OBJECTIVES AND ACTIVITIES – continued

CUSTOMER SATISFACTION

South Downs Leisure recognises that the customer is at the heart of the business and continually monitors satisfaction ratings using the "Net Promoter Score" system. NPS is a management tool that can be used to gauge the loyalty of an organisation's customer relationships. It serves as an alternative to traditional customer satisfaction research and has been adopted by more than two thirds of Fortune 1,000 companies as well as many of the leisure industry providers.

We currently have a score of 49% for the Worthing contract and 55% for the Adur contract, which is high especially with the challenging times we are facing. We were also the winners of the 'Hospitality, Tourism and Leisure' category at the Adur & Worthing business awards.

ACHIEVEMENTS AND PERFORMANCE

The COVID pandemic saw the beginning of the year off to a slow start as businesses began to reopen. We have now managed to re-open all sites fully with Wadurs swimming pool being the last of the Adur contract sites to reopen in May 2021. As part of the staggered re-opening, we managed to work in partnership with local companies to re-open the catering offering fully at all sites by June 2022.

In December 2021 we were pleased to open the new full size 3g facility at Palatine Park. This has been very well received with a number of clubs now able to train and play matches all year round. It has also been well used by several community groups. Membership numbers have been returning over the year and we are now looking at over 80% of our members having returned. We have also been able to develop the offering further with the new GP referral scheme starting to allow specialised support for people to be able to use the facilities. We were also able to offer a long covid recovery program to support those in need of this.

We have continued to develop the facilities across the sites with some key examples listed below:

- Southwick Gym Redevelopment
- New spinning studio at Southwick LC
- New studio development at Lancing LC
- Gym redevelopment at Worthing and Splashpoint LC

The Sealanes project has continued to develop and we have worked well with the partners to ensure the facility meets the needs of the public and groups. We are pleased to have signed the contract to operate the facility when it opens in 2023.

ENVIRONMENT AND SUSTAINABILITY

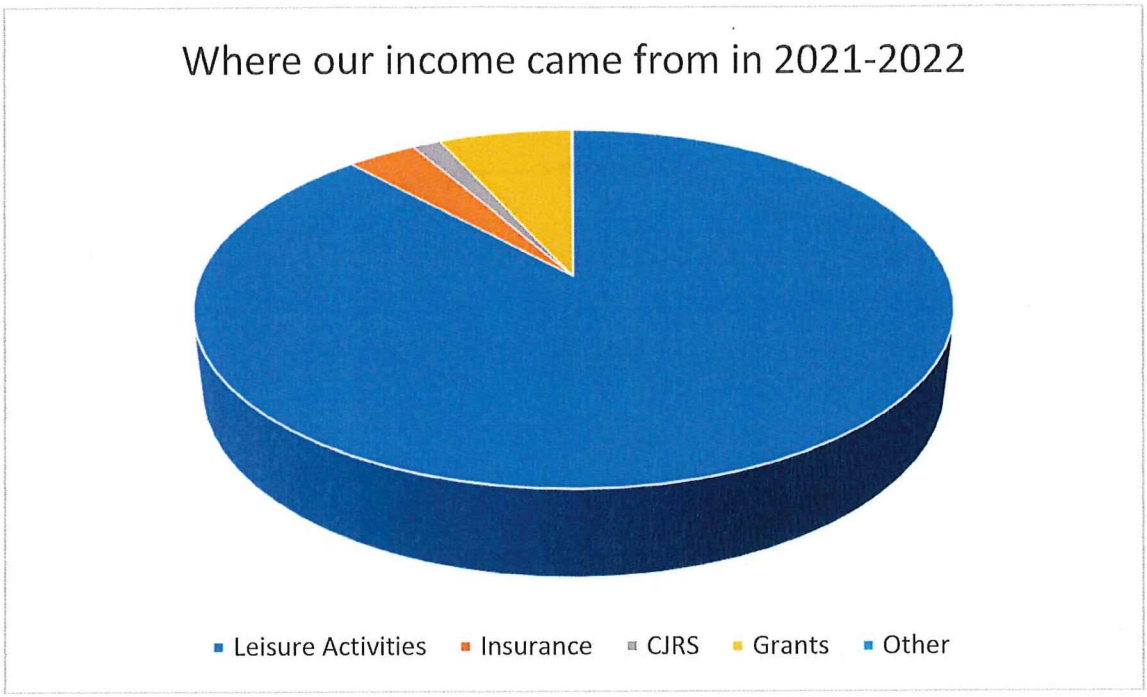
This has become a key focus of the business over the past 12 months, and we have introduced a separate Sustainability Development Strategy for 2022 – 2026. We have worked hard to make this part of the culture at SDL, by investing in training staff, communications to staff/customers and working with partners. We have ensured that sustainability is considered as part of all decisions that are made at all levels.

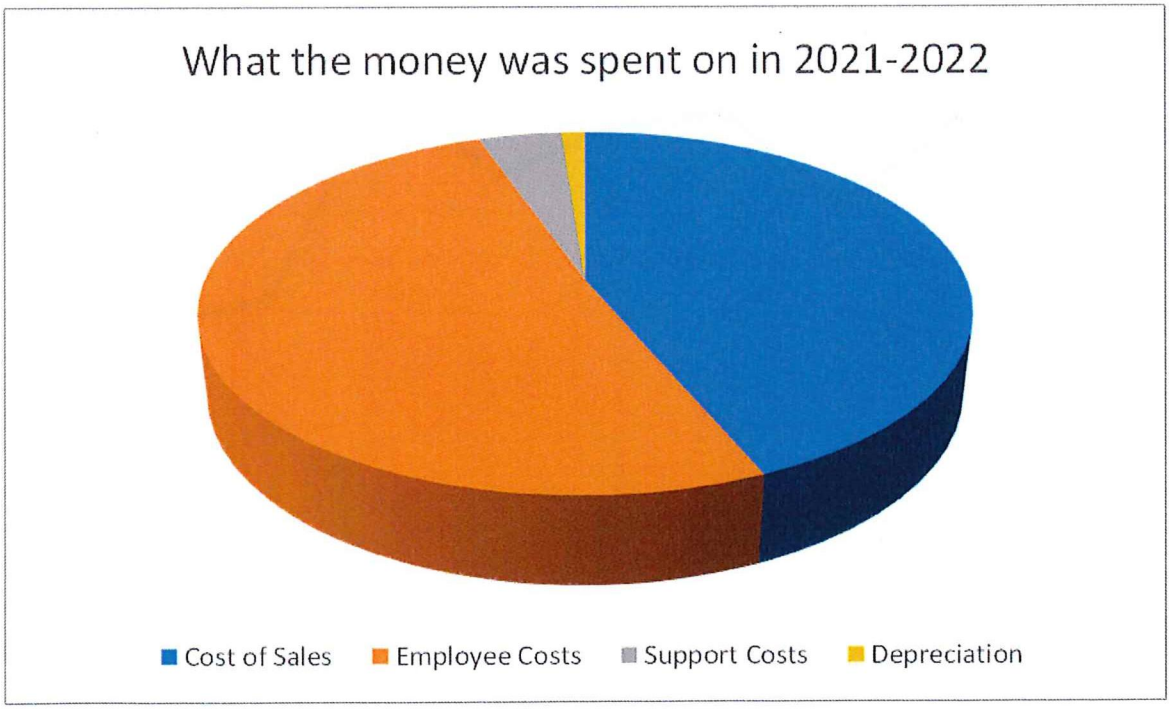
We have invested heavily in environmental savings across all sites; working hard to understand our energy usage and drive this down. This has been in the form of LED lighting, PIR sensors, reduced the times high energy facilities and equipment are running. Staff teams have really taken this on across the sites with environmental champions leading the way and continually coming up with new ideas. We have introduced food waste bins at 2 of the Worthing sites and are working in partnership with the refuse team at AWC to drive down our waste further.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

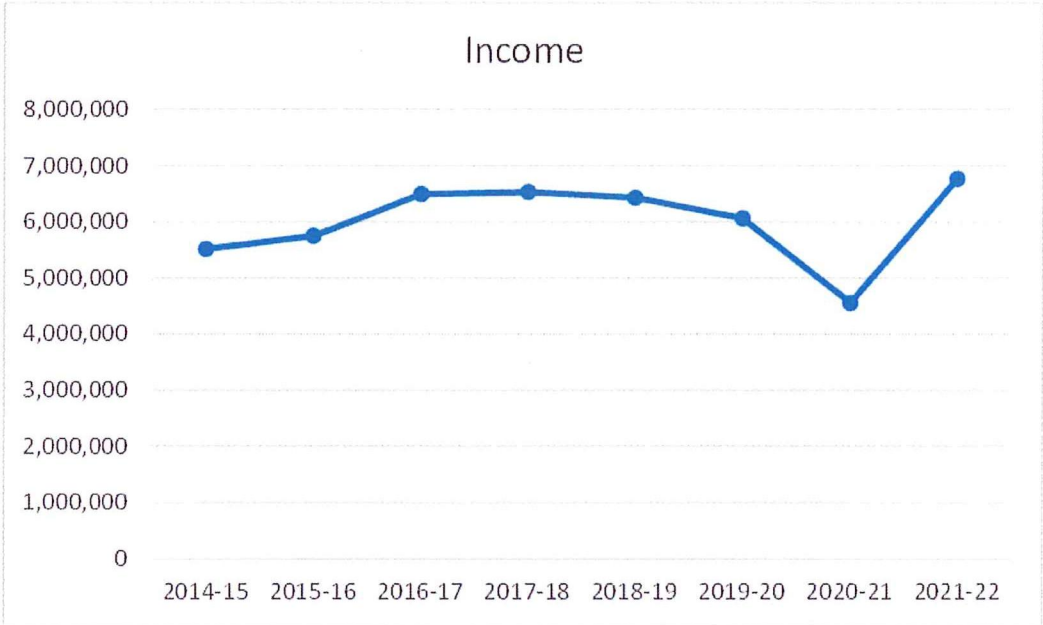
FINANCIAL REVIEW

The following charts show which sites produced our income and how that money was spent.

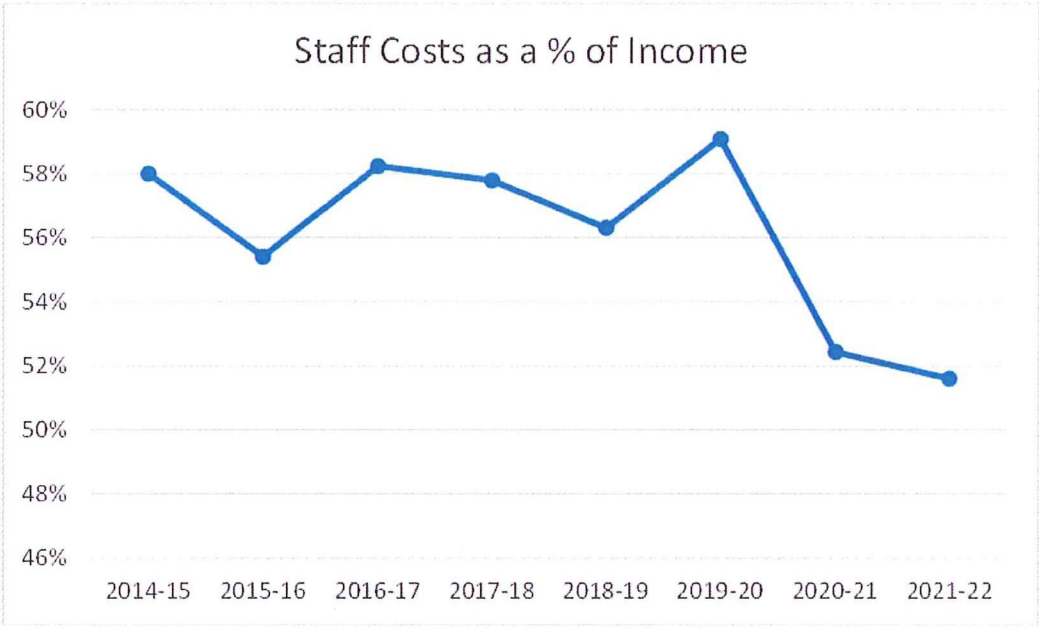




FINANCIAL REVIEW – continued



The above chart shows the income year on year. 2013-2015 we were a council Direct Service Organisation.



The above chart shows staff costs as a % of income. 2018-21 figures include Head Office costs.

FINANCIAL REVIEW – continued

Reserves
Surpluses on trading and charitable activities will be transferred to a risk reserve and an improvement reserve. After the accumulation of 891k into the risk reserve, then the Trust shall transfer up to £100,000 of any surplus generated into a designated account, the Improvement Reserve.

The group has returned a deficit of £10,419 (2021 £679,785 surplus). The accumulated reserves for the group amounted to £1,593,438 (2021: £1,603,857), including restricted funds of £42,670 (2021: £34,615) and unrestricted funds of £1,550,768 (2021: £1,569,242).

In the event that the Trust meets the agreed Risk Reserve target of £891,000 and after £100,000 has been transferred into the Improvement Reserve and the Risk Reserve target has been maintained for a continuous period of 3 months, then 50% of any additional surplus generated by the Trust in any Service Year shall be shared with Worthing Borough Council.

The Trust had total reserves at the balance sheet date of £1,593,438 (2021: £1,603,857). £786,644 (2021: £891,000) has been designated as the risk reserve in accordance with the reserves policy and £443,186 (2021: £443,186) has been designated as the improvement reserve. Restricted funds at the year end were £42,670 (2021: £34,615).

The improvement reserve balance of £469,404 (2021: £443,186) is made up of the net book value of fixed asset purchases since incorporation of £362,588 (2021: £229,595) and there were no unspent reserves in 2022 (2021: £213,591).

The COVID-19 crisis saw the reserves depleted between March and October 2020 resulting in the need for a government backed CBILS bank loan for £750,000. This was repaid in September 2021 before any interest charges were due. In December 2020 the insurance claim was accepted and ensured stability with a cover of £2.5m. To date £1.99m has been received. The final tranche of the claim is currently with insurers for approval and payment.

Going concern
Having weathered the COVID-19 pandemic with the benefit of the insurance claim, government assistance including the Coronavirus Job Retention Scheme, and restructuring our workforce, we are once again facing huge challenges. The cost of utilities has increased to a level not previously envisaged possible over the last few months, with predictions that it will continue to do so. This has mainly been driven by the war in Ukraine and the instability of fuel supply.

The decision has been taken to not tie into a fixed term contract but to take a five-year contract where utilities are purchased at the best next day price. This is the approach taken by some other leisure Trusts and we hope that by being more agile we will be able to take advantage of any improvements in the prices offered.

Since focusing on our sustainability strategy, we have identified a number of areas where improvements have resulted in cost savings, as well as being a win for the planet.

We now have a lean, agile workforce which is felt will be one of the best ways to cope with the challenges we have ahead.

Our product is in the middle of the leisure market and although the cost-of-living crisis will squeeze some of our customers with less disposable income out of a full membership, we are aware that we are gaining interest from the top end of the market. We continue to provide an online service and are able to sell this as a more cost-conscious standalone product to keep customers engaged during this difficult period.

Costs are monitored and controlled closely and all schemes available are utilised to minimise our costs i.e., training through CIMSPA, government Kickstart scheme.

The Board of Trustees has considered the uncertainty caused by the current cost of living crisis and are satisfied that, assuming customers behaviour is in line with industry expectations, utility prices are in line with our best estimates at this time, and there aren't further spikes in COVID-19 which result in enforced lockdowns, then it will be able to meet all its obligations as and when they fall due. Accordingly, whilst drawing the reader's attention to the underlying uncertainties that the cost-of-living crisis, utilities and COVID-19 pandemic have caused, they consider it appropriate to continue to prepare the financial statements on a going concern basis.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Plans for the future
By restructuring the business and taking on the additional Adur contract we feel that the business is poised to deal with the changing business environment. We have shown our agility and flexibility in coping with the Covid crisis, which we will employ during the current challenges and in the growth and reinforcement of the Trust. The opportunity of Sealanes is already being embraced by the team. At the same time, we are committed to sustainability and the environmental impact of the Trust. From recycling to larger projects, like installing solar panels at Field Place, we will continue to strive for a business financially successful, creating stability for our staff, whilst prioritising the environment.

ACCOUNTABLE AND TRANSPARENT
The work of the Trust sits largely in the public domain and through its values, club and customer focus groups, surveys & feedback mechanisms it strives to engage with all interested parties. The business plan and objectives are published and subject to public scrutiny.

As part of the service agreement with Worthing Borough Council, the Trust provides regular reports to the Council on its performance through monitoring Key Performance Indicators (KPIs).

FUNDRAISING
As a charity our income is derived from charitable trading and as such, we do not undertake any specific campaigns which require donations.

DISABLED PERSONS
The parent Charitable Company and its subsidiary undertakings' policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. South Downs Leisure is a Disability Confident employer.

ENGAGEMENT WITH EMPLOYEES
The importance of communication with employees was highlighted during the COVID-19 pandemic. We have continued with the Zoom calls with the CEO for all staff and these are now held on a monthly basis, as we recognise how important it is for staff to see the CEO and have the opportunity to ask questions directly. There are staff newsletters and social media posts.

The Workplace Champions introduced last year are volunteers who have be given training to support staff, provide a means of signposting staff to additional support and coordinating with management as necessary.

Worthing Counselling Service was employed as the EAP provider during 2019/20. This is a local charitable service which has already proved more popular than the previous, more generic, service. We are helping our staff and another local charity which fits perfectly with our ethos.

In line with our Environmental Strategy, we have also appointed Sustainability Champions and have recently taken these staff on trips to see the local windfarm and recycling facility.

Our board of Trustees also includes a Staff Trustee to represent the staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of South Downs Leisure 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).

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:

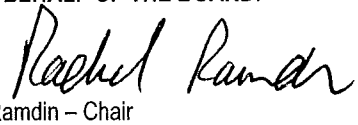
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
  state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 the 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.

ON BEHALF OF THE BOARD:



R Ramdin – Chair

Date: 18 October 2022.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH DOWNS LEISURE

Opinion

We have audited the financial statements of South Downs Leisure (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements which indicates that the effects of the war in the Ukraine, and subsequent cost of living crisis and utility bill increases, will likely have a detrimental impact on the trading results of the Group and Charitable Company. As stated in note 3 these events or conditions, along with other matters as set forth in note 3 indicate that a material uncertainty exists which may cast significant doubt on the Group's and Charitable Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the group 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 SOUTH DOWNS LEISURE

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of 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 by the parent charitable company and its subsidiary, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 group's and the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charitable Company through discussions with trustees and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and 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 Group's and Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 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:

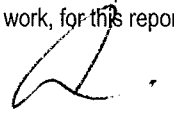
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

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 trustees' and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 18 October 2022

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds	Restricted Funds	31.3.22 Total Funds	31.3.21 Total Funds
		£	£	£	£
INCOME					
Donation income	5	-	100,604	100,604	1,324,623
Income from charitable activities: Operation of leisure, recreation sites and health activities	6	6,297,019	28,715	6,325,734	1,617,048
Income from other trading activities: Commercial trading operations	7	528,606	4,887	533,493	321,172
Other income	8	241,187	-	241,187	1,608,634
TOTAL INCOME		7,066,812	134,206	7,201,018	4,871,477
EXPENDITURE					
Costs of raising funds: Commercial trading operations	7	481,886	4,887	486,773	197,702
Expenditure on charitable activities: Operation of leisure, recreation sites and health activities	10	6,603,400	121,264	6,724,664	3,993,990
TOTAL EXPENDITURE		7,085,286	126,151	7,211,437	4,191,692
NET (EXPENDITURE) / INCOME BEFORE TAXATION AND TRANSFERS		(18,474)	8,055	(10,419)	679,785
GROSS TRANSFERS BETWEEN FUNDS		-	-	-	-
NET MOVEMENT IN FUNDS		(18,474)	8,055	(10,419)	679,785
RECONCILIATION OF FUNDS:	26				
FUNDS BROUGHT FORWARD		1,569,242	34,615	1,603,857	924,072
FUNDS CARRIED FORWARD		1,550,768	42,670	1,593,438	1,603,857

All incoming resources and resources expended arise from continuing activities. The group has no other recognised gains and losses other than those stated above.

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2022

	Notes	31.3.22 Total Funds £	31.3.22 Total Funds £	31.3.21 Total Funds £	31.3.21 Total Funds £
FIXED ASSETS					
Intangible assets	16		37,630		54,666
Tangible assets	17		489,071		263,582
Investments	18		-		-
			526,701		318,248
CURRENT ASSETS					
Stocks	19	86,316		33,819	
Debtors	20	758,352		1,087,760	
Cash at bank and in hand		1,256,662		1,746,455	
		2,101,330		2,868,034	
CREDITORS					
Amounts falling due within one year	21	(1,012,728)		(793,343)	
NET CURRENT ASSETS			1,088,602		2,074,691
TOTAL ASSETS LESS CURRENT LIABILITIES			1,615,303		2,392,939
CREDITORS					
Amounts falling due after one year	22	-		(762,500)	
			-		(762,500)
PROVISIONS FOR LIABILITIES	24		(21,865)		(26,582)
NET ASSETS			1,593,438		1,603,857
FUNDS					
Unrestricted income funds			235,056		235,056
Unrestricted designated funds			1,315,712		1,334,186
Restricted funds			42,670		34,615
TOTAL FUNDS	26		1,593,438		1,603,857

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 17 October 2022 and were signed on its behalf by:

.....
R Ramdin – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

COMPANY BALANCE SHEET
AT 31 MARCH 2022

	Notes	31.3.22 Total Funds £	31.3.22 Total Funds £	31.3.21 Total Funds £	31.3.21 Total Funds £
FIXED ASSETS					
Intangible assets	16		37,630		54,666
Tangible assets	17		373,993		123,678
Investments	18		1		1
			411,624		178,345
CURRENT ASSETS					
Stocks	19	86,316		33,819	
Debtors:	20	733,506		1,137,081	
Cash at bank and in hand		1,043,829		1,499,898	
		1,863,651		2,670,798	
CREDITORS					
Amounts falling due within one year	21	(916,893)		(817,842)	
NET CURRENT ASSETS			946,758		1,852,956
TOTAL ASSETS LESS CURRENT LIABILITIES			1,358,382		2,031,301
CREDITORS					
Amounts falling due within one year	22	-	-	(662,500)	(662,500)
NET ASSETS			1,358,382		1,368,801
FUNDS					
Unrestricted designated funds			1,315,712		1,334,186
Restricted funds			42,670		34,615
TOTAL FUNDS	26		1,358,382		1,368,801

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 17 October 2022 and were signed on its behalf by:

Rachel Ramdin

R Ramdin – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		Group 31.3.22 £	Group 31.3.21 £	Company 31.3.22 £	Company 31.3.21 £
Cash flows from operating activities	1	670,111	87,098	598,373	230,566
Tax paid		32,918	-	-	-
Net cash/(cost) from operating activities		703,029	87,098	598,373	230,566
Cash flows from investing activities					
Purchase of tangible fixed assets		(334,473)	(19,800)	(334,473)	(19,800)
Purchase of intangible fixed assets		-	-	-	-
Disposal of asset		5,911	-	5,914	-
Finance charges		(14,260)	(40,494)	(13,048)	(36,710)
Interest receivable		-	-	5,565	5,419
Net cash from investing activities		(342,822)	(60,294)	(336,042)	(51,091)
Cash flows from financing activities					
Loan to Enterprises		-	-	31,600	31,600
New loan		-	850,000	-	750,000
Loan repayments		(850,000)	-	(750,000)	
Net (cost)/cash from investing activities		(850,000)	850,000	(718,400)	781,600
(Decrease)/Increase in cash and cash equivalents in the reporting period		(489,793)	876,804	(456,069)	961,075
Cash and cash equivalents at the beginning of the reporting period	2	1,746,455	869,651	1,499,898	538,823
Cash and cash equivalents at the end of the reporting period	2	1,256,662	1,746,455	1,043,829	1,499,898

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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

1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 31.3.22 £	Group 31.3.21 £	Company 31.3.22 £	Company 31.3.21 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(10,419)	679,785	(10,419)	561,734
Depreciation/amortisation charges	120,107	116,730	95,280	89,220
Finance costs	14,261	40,494	13,048	36,710
Interest received	-	-	(5,565)	(5,419)
(Increase) / decrease in stock	(52,497)	(25,410)	(52,497)	(25,410)
Decrease / (increase) in debtors	329,408	(785,965)	371,976	(809,974)
Decrease / (Increase) in intercompany	-	-	(91,473)	310,709
Increase / (Decrease) in creditors	269,251	61,464	278,023	72,996
Net cash flow from operating activities	670,111	87,098	598,373	230,566

2. ANALYSIS OF CHANGES IN NET FUNDS

Group

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	1,746,455	(489,793)	1,256,662
	1,746,455	(489,793)	1,256,662
Debt			
Debts falling due within 1 year	(87,500)	87,500	-
Debts falling due after 1 year	(762,500)	762,500	-
	(850,000)	850,000	-
Total	896,455	360,207	1,256,662

Company

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	1,499,898	(456,067)	1,043,831
	1,499,898	(456,067)	1,043,831
Debt			
Debts falling due within 1 year	(87,500)	87,500	-
Debts falling due after 1 year	(662,500)	662,500	-
	(750,000)	750,000	-
Total	749,898	293,933	1,043,831

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

1. STATUTORY INFORMATION

South Downs Leisure (A Company Limited by Guarantee) is a registered charity. The Charity's registered number and registered office address can be found on the Charity Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the provisions of FRS 102 (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There were no material departures from that standard.

The group's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the group. The financial statements are therefore presented in British Pound Sterling.

Going concern
The outbreak of war in Ukraine at the beginning of 2022 has resulted in a global cost of living crisis with prices increasing around the world. The resulting impact of this crisis on the operations of the Charitable Company and its subsidiary will likely have a negative effect on the results in the next few financial years. Utility costs are rising at extremely high rates and as a business that consumes significant amounts of energy this will have a major impact upon trading results. The expected increase in utility costs are likely to continue increasing into 2023. The currently known impacts of the cost of living and utilities crisis on the Charitable Company and subsidiary are:

South Downs Leisure

- Increased utilities to run the flagship Splashpoint centre have resulted in our reducing opening hours, lowering pool temperatures and increasing swimming charges
- Efficiency measures are being enforced at all sites with heating and lighting closely monitored
- Staff are under pressure due to personal cost of living issues meaning pay needs to be reviewed

South Downs Leisure Enterprises Limited

- Lots of work re energy efficiency around sites
- Staff training
- Business has not been affected to date

As a group we have taken and continue to work on our sustainability as follows:

South Downs Leisure

- Creating an environmental and sustainability policy
- Applying for permission to install more solar panels
- Reducing all unnecessary usage of lighting, heating and cooling
- Installing LED lighting both inside and outside
- Staff awareness and buy in to environmental and sustainability goals

South Downs Leisure Enterprises Limited

- Looking at installing solar panels on the barn
- Supplier partnering on sustainable goals
- Staff awareness and buy in to environmental and sustainability goals

There are material uncertainties related to the events and conditions set out above that may cast significant doubt upon the Group and Charitable Company's ability to continue as a going concern and therefore whether the group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

3. ACCOUNTING POLICIES – continued

Preparation of consolidated financial statements
The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary South Downs Leisure Enterprises Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account is not presented for the Charitable Company itself in accordance with the exemptions afforded by paragraph 397 of the SORP.

Income recognition
All incoming resources from recreation and leisure sites are included on the Statement of Financial Activities when the charitable company is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the charitable company will receive the income. Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences. Some services are provided in advance of an invoice being raised and as such is accrued until the invoice has been raised and the income recognised in the income and expenditure account. Income for annual memberships is accounted for over the membership year.

Grants receivable
Grants receivable in respect of a specified period relating to the general activities of the charitable company are recognised in the Statement of Financial Activities in the period in which they become receivable. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use.

Government grants
Government grants are recognised when it is reasonably certain that the conditions attached the grant are met. The grant is recognised on an accruals basis over the period necessary to match with the costs that they are associated

During the year the Charitable Company received the following revenue based grant:
Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received has been included in income (note 5).

Unrestricted Funds
Unrestricted funds are incoming resources receivable or generated for the objects of the charitable company 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.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

3. ACCOUNTING POLICIES – continued

Support costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative, and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets
Fixed assets costing in excess of £5,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and Fittings	- straight line over 5 years, straight line over 23 years
Exercise Equipment	- straight line over 5 years
IT, Audio & Visual Equipment	- straight line over 5 years

Irrecoverable VAT
Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Service Concession Arrangements
The charitable company has a Service Contract with Worthing Borough Council for the operation of leisure centres owned by the Council to which it has lease and management service contracts. Worthing Borough Council has rights under the contracts to specify the activities offered by the centres and has influence over the prices charged for them and specifies minimum standards for the services to be provided.

Property, plant and equipment
The buildings and plant at the centres are leased to the charitable company as part of the overall contractual relationship with Worthing Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the leisure centres, so that the charitable company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the charitable company's Balance Sheet.

Stocks
Stocks are valued at the lower of cost and estimated selling price less costs to sell, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Debtors receivable and creditors payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Debtors receivable and creditors payable over one year
Debtors and creditors are stated at value due as an appropriate interest/discount rate is effectively applied.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

3. ACCOUNTING POLICIES – continued

Allocation and apportionment of costs
Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites and in performance of the health activities. Charitable activities are split into recreation, leisure site and health activities costs, which are those costs incurred directly in the running of each of the sites and health activities, and support costs which are those costs incurred directly in support of expenditure on the objects of the Charitable Company.

Financial Instruments
The charitable company and subsidiary enter into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors
Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets
Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors
Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation
The Charitable Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Pension costs and other post-retirement benefits
In respect of those defined benefit pension schemes where the local authority has indemnified the Charitable company against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of a contract, the amount charged to the statement of financial activities represents the contribution payable to the scheme in the accounting period without any actuarial adjustment.

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES – continued

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 to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in 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 deferred income relating to memberships and bookings for the following year.

4. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the Group Statement of Financial Activities include those of the Charitable Company's wholly owned subsidiary South Downs Leisure Enterprises Limited.

A summary of the financial activities undertaken by the Charitable Company is set out below:

			31.3.22	31.3.21
			£	£
Gross incoming resources	-	Operation of leisure centres	5,965,166	915,429
	-	Grants (note 6)	360,568	701,619
	-	Donations (note 5)	100,604	1,324,623
	-	Gift aid donation from subsidiary	41,155	-
	-	Other income (note 8)	241,187	1,608,634
			6,708,680	4,550,305
Total expenditure on charitable activities			(6,724,664)	(3,993,990)
Loan interest from subsidiary			5,565	5,419
Net incoming / (outgoing) resources			(10,419)	561,734

5. DONATION INCOME

	31.3.22	31.3.21
	£	£
Donation income	100,604	1,324,623
	100,604	1,324,623

The Charitable Company received £100,104 (2021: £1,324,623) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS) and £500 (2021: £nil) from the Bowls Club for a defibrillator at Field Place.

Income from donations was £100,604 (£1,324,623) of which £100,604 (2021: £1,324,623) was attributable to restricted funds and £nil (2021: £nil) was attributable to unrestricted funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

6. INCOME FROM CHARITABLE ACTIVITIES - continued

			31.3.22	31.3.21
			£	£
Gross incoming resources	-	Operation of leisure centres	5,965,166	915,429
	-	Grants	360,568	701,619
Net incoming / (outgoing) resources			6,325,734	1,617,048

Income from charitable activities was £6,325,734 (2021: £1,617,048) of which £28,715 (2021: £4,283) was attributable to restricted funds and £6,297,019 (2021: £1,612,765) was attributable to unrestricted funds.

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

	31.3.22	31.3.21
	£	£
Local Restrictions Support Grant (LRSG)	-	17,285
Business Rate Grant	-	89,427
Coronavirus Business Interruption Loan Scheme (CBILS) Interest grant	-	27,000
Other Local Authority grants	360,568	567,907
Net incoming / (outgoing) resources	360,568	701,619

7. INCOMING / (OUTGOING) RESOURCES FROM COMMERCIAL TRADING OPERATIONS

A summary of the trading results of the wholly owned subsidiary South Downs Leisure Enterprises Limited is shown below:

	31.3.22	31.3.21
	£	£
Turnover	533,493	321,172
Cost of sales and administration costs	(486,773)	(197,702)
Gift aid donation from subsidiary to parent	(41,155)	-
Interest on inter-group loan	(5,565)	(5,419)
Net profit	-	118,051

Included within turnover is £4,887 (2021: £54,983) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS), £126,177 (2021: £191,366) of business interruption insurance claim based on the loss of earnings for the year ended 31 March 2022 and £nil (2021: £2,400) for the Coronavirus Business Interruption Loan Scheme (CBILS) interest covered by the Government for the first year.

8. OTHER INCOME

	31.3.22	31.3.21
	£	£
Business Interruption insurance claim	241,187	1,608,634
	241,187	1,608,634

Other income relates to a business interruption insurance claim based on the loss of earnings for the year ended 31 March 2022 (2021: £1,608,634).

Other income was £241,187 (2021: £1,608,634) of which £241,187 (2021: £1,608,634) was attributable to unrestricted funds.

9. NET INCOME/EXPENDITURE OF THE PARENT CHARITABLE COMPANY

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent Charitable Company is not presented as part of these financial statements. The parent Charitable Company's net outgoing resources was £(10,419) (2021: £561,734 incoming resources).

10. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES COSTS

	Direct Costs	Direct Staff Costs	Support Costs (see note 11)	31.3.22 Total Charitable Activities	31.3.21 Total Charitable Activities
	£	£	£	£	£
Leisure, recreation and health activities	3,047,925	3,391,800	284,939	6,724,664	3,993,990

£126,151 (2021: £1,327,602) of the above costs were attributable to restricted funds and £6,598,513 (2021: £2,666,388) of the above costs were attributable to unrestricted funds.

11. SUPPORT COSTS

Support costs, included in the above, are as follows:

	31.3.22 Operation of leisure, recreation sites and health activities	31.3.21 Operation of leisure, recreation sites and health activities
	£	£
External support services	92,270	113,253
Advertising & marketing	44,720	9,718
Office administration	78,974	59,039
Consultancy	500	48,775
Training	4,856	498
Finance costs	13,048	36,710
Governance costs	41,650	24,618
Other support costs	8,921	11,686
	284,939	304,297

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and health services.

12. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/ (crediting):

	31.3.22	31.3.21
	£	£
Hire of equipment	122,761	69,563
Depreciation	103,072	93,639
Amortisation	17,036	23,091
Auditors' remuneration	21,859	20,777
Auditors' remuneration for non-audit work	3,675	3,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

13. TRUSTEES' REMUNERATION AND BENEFITS

Staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff and not in respect of their services as trustees. Other trustee did not receive any payments from the Trust in respect of their roles as trustees.

The value of trustees' remuneration was as follow:

P Spencer-Snell (Staff trustee):
Remuneration £20,000 - £25,000 (2021: £15,000 - £20,000)
Employer's pension contributions £5,000 - £10,000 (2021: £0 - £5,000)

Trustees' Expenses

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

14. STAFF COSTS

	31.3.22	31.3.21
	£	£
Company		
Wages and salaries	2,988,236	2,061,759
Social security costs	153,219	94,674
Defined benefit pension costs	241,954	187,493
Redundancy and severance payments	8,391	44,759
	3,391,800	2,388,685
Subsidiary		
Wages and salaries	79,471	79,456
Social security costs	5,570	4,854
Other pension costs	5,063	7,121
	90,104	91,431
	3,481,904	2,480,116

During the current year, the company entered into settlement agreements with a staff member, which gave rise to an ex-gratia payment totalling £5,000.

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

31.3.22	31.3.21
318	295

The total amount of employee benefits received by key management personnel was £312,536 (2021: £302,196). The Charitable Company considers its key management personnel to be the Chief Executive, Finance Director, Operations Director, HR Executive, Sales and Marketing Director and the staff trustees.

The number of employees whose emoluments fell within the following bands was:

	31.3.22	31.3.21
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£100,001 - £110,000	1	-
	3	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

14. STAFF COSTS - continued

The number of employees earning in excess of £60,000 (for the year) to whom retirement benefits are accruing:

31.3.22	31.3.21
3	2

15. TAXATION

The Charitable Company paid no corporation tax during the year. Provisions for £nil (2021: £nil) have been made at 31 March 2022 for corporation tax due in respect of the surplus from trading activities recorded in the year ended 31 March 2022. During the year ended 31 March 2022 all trading activities were conducted by the wholly owned subsidiary, South Downs Leisure Enterprises Limited.

South Downs Leisure Enterprises Limited has provisions included of £21,865 (2021: £26,582) in respect of deferred taxation and a corporation tax creditor of £nil (2021: £32,918) in respect of corporation tax payable on profits relating to trading income. The analysis of the tax charge on the profit for the year was as follows:

	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax	-	32,918
Deferred taxation movement	(4,717)	(5,227)
Tax on trading profit	(4,717)	27,691

16. INTANGIBLE FIXED ASSETS

Group and company

	Computer software
	£
COST	
At 1 April 2021	112,984
Additions	-
Disposals	-
At 31 March 2022	112,984
AMORTISATION	
At 1 April 2021	58,318
Charge for year	17,036
Eliminated on disposal	-
At 31 March 2022	75,354
NET BOOK VALUE	
At 31 March 2022	37,630
At 31 March 2021	54,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

17. TANGIBLE FIXED ASSETS

Group

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2021	344,085	441,124	114,503	899,712
Additions	281,116	53,357	-	334,473
Disposals	-	(6,957)	-	(6,957)
At 31 March 2022	625,201	487,524	114,503	1,227,228
DEPRECIATION				
At 1 April 2021	286,838	241,861	107,431	636,130
Charge for year	43,911	55,952	3,208	103,071
Eliminated on disposal	-	(1,044)	-	(1,044)
At 31 March 2022	330,749	296,769	110,639	738,157
NET BOOK VALUE				
At 31 March 2022	294,452	190,755	3,864	489,071
At 31 March 2021	57,247	199,263	7,072	263,582

Company

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2021	344,085	216,462	114,503	675,050
Additions	281,116	53,356	-	334,472
Disposals	-	(6,957)	-	(6,957)
At 31 March 2022	625,201	262,861	114,503	1,002,565
DEPRECIATION				
At 1 April 2021	286,838	157,103	107,431	551,372
Charge for year	43,911	31,125	3,208	78,244
Eliminated on disposal	-	(1,044)	-	(1,044)
At 31 March 2022	330,749	187,184	110,639	628,572
NET BOOK VALUE				
At 31 March 2022	294,452	75,677	3,864	373,993
At 31 March 2021	57,247	59,359	7,072	123,678

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

18. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings
	£
MARKET VALUE	
At 1 April 2021 and 31 March 2022	1
NET BOOK VALUE	
At 31 March 2021 and 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 included the following:

South Downs Leisure Enterprises Limited (company number 09261501)
Nature of business: Operation of an events venue

Class of share:	% holding
Ordinary	100

	31.3.22	31.3.21
	£	£
Aggregate capital and reserves	235,056	235,056
Profit for the year	-	118,051

19. STOCKS

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Stocks	86,316	33,819	86,316	33,819

Stock amounts recognised within expenditure for the current period are £227,845 (2021: £36,864).

20. DEBTORS

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Trade debtors	139,451	265,948	125,737	254,624
Other debtors	13,402	2,653	13,402	2,653
Loan to associate under 1 year	-	-	31,600	31,600
Prepayments and accrued income	605,499	819,159	562,767	816,604
Amounts owed by group undertakings	-	-	-	-
	758,352	1,087,760	733,506	1,105,481
Loan to associate over 1 year	-	-	-	31,600
Aggregate amounts	758,352	1,087,760	733,506	1,137,081

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Trade creditors	136,990	89,826	111,552	89,182
Taxation	-	32,918	-	-
Social security and other tax	142,240	77,866	141,415	75,431
Other creditors	29,732	78,700	29,732	78,700
Accrued expenses	483,588	116,763	474,406	107,582
Deferred income	220,178	309,770	96,100	224,287
Amounts due to group undertakings	-	-	63,688	155,160
Bank loans	-	87,500	-	87,500
	1,012,728	793,343	916,893	817,842

Deferred Income

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Deferred income at 1 April 2020/11	309,770	184,518	224,287	88,519
Deferred during the period	220,178	309,770	96,100	224,287
Amounts released to income from prior periods	(309,770)	(184,518)	(224,287)	(88,519)
Deferred income at 31 March 2022/21	220,178	309,770	96,100	224,287

Deferred income at 31 March 2022 for the Charitable Company represents annual leisure membership income, where the consideration has been received in the year ended 31 March 2022 but the services were only provided following the year end. The Group deferred income also includes venue hire income under the same principles.

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

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Bank loans (see note 23)	-	762,500	-	662,500
	-	762,500	-	662,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

23. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Amounts falling due within one year on demand:				
Bank loans	-	87,500	-	87,500
	-	87,500	-	87,500
Amounts falling due between one and two years:				
Bank loans	-	170,000	-	150,000
	-	170,000	-	150,000
Amounts falling due between two and five years:				
Bank loans	-	340,000	-	300,000
	-	340,000	-	300,000
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	-	252,500	-	212,500
	-	252,500	-	212,500

The bank loans consisted of an unsecured bank loan of £750,000 and a secured bank loan of £100,000.

The unsecured bank loan of £750,000 was over a term of 6 years with an interest rate of 3.5% above the Bank of England base rate. The loan was repaid before repayments became due.

The secured bank loan of £100,000 was over a term of 6 years with an interest rate of 2.3% above the Bank of England base rate. The loan was repaid before repayments became due.

24. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Deferred taxation	21,865	26,582	-	-
	21,865	26,582	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

25. OPERATING LEASE COMMITMENTS

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	31.3.22	31.3.21
Due < 1 year	7,225	44,483
Due 1-2 years	7,225	-
Due 2-5 years	6,806	-
	21,256	44,483

Operating lease amounts recognised within expenditure for the current period are £44,900 (2021: £69,563).

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Unrestricted funds	Restricted funds	31.3.22 Total funds	31.3.21 Total funds
	£	£	£	£
Fixed Assets	526,701	-	526,701	318,248
Current Assets	2,058,660	42,670	2,101,330	2,868,034
Current Liabilities	(1,012,728)	-	(1,012,728)	(793,343)
Long Term Liabilities	(21,865)	-	(21,865)	(789,082)
	1,550,768	42,670	1,593,438	1,603,857

Company

	Unrestricted funds	Restricted funds	31.3.22 Total funds	31.3.21 Total funds
	£	£	£	£
Fixed Assets	411,623	-	411,623	178,344
Investment	1	-	1	1
Current Assets	1,820,981	42,670	1,863,651	2,670,798
Current Liabilities	(916,893)	-	(916,893)	(817,842)
Long Term Liabilities	-	-	-	(662,500)
	1,315,712	42,670	1,358,382	1,368,801

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	Unrestricted funds	Restricted funds	31.3.21 Total funds	31.3.20 Total funds
	£	£	£	£
Fixed Assets	318,248	-	318,248	415,177
Current Assets	2,833,419	34,615	2,868,034	1,179,855
Current Liabilities	(793,343)	-	(793,343)	(639,151)
Long Term Liabilities	(789,082)	-	(789,082)	(31,809)
	1,569,242	34,615	1,603,857	924,072

Company	Unrestricted funds	Restricted funds	31.3.21 Total funds	31.3.20 Total funds
	£	£	£	£
Fixed Assets	178,344	-	178,344	247,762
Investment	1	-	1	1
Current Assets	2,636,183	34,615	2,670,798	1,061,489
Current Liabilities	(817,842)	-	(817,842)	(502,185)
Long Term Liabilities	(662,500)	-	(662,500)	-
	1,334,186	34,615	1,368,801	807,067

27. MOVEMENT IN FUNDS

Group	At 1.4.21	Net movement in funds	At 31.3.22
Unrestricted funds			
General	235,056	-	235,056
Designated	1,334,186	(18,474)	1,315,712
	1,569,242	(18,474)	1,550,768
Restricted funds			
Short Breaks Buddy PT	6,158	-	6,158
Walking Football	759	250	1,009
Disability Fun Day	5,702	-	5,702
Awards for all	9,950	-	9,950
Green Dreams	2,606	930	3,536
Winter Pressures Chair Based Pilates	4,305	-	4,305
Aiming High Trampoline Equipment	1,528	-	1,528
Safe in Sussex Community Grant	2,500	(2,500)	-
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
WSCC HAF	-	7,703	7,703
Field Place Defib	-	-	-
The Great Outdoors	-	1,672	1,672
Coronavirus Job Retention Scheme	-	-	-
	34,615	8,055	42,670
TOTAL FUNDS	1,603,857	(10,419)	1,593,438

Company	At 1.4.21	Net movement in funds	At 31.3.22
Unrestricted funds			
Designated	1,334,186	(18,474)	1,315,712
	1,334,186	(18,474)	1,315,712
Restricted funds			
Short Breaks Buddy PT	6,158	-	6,158
Walking Football	759	250	1,009
Disability Fun Day	5,702	-	5,702
Awards for all	9,950	-	9,950
Green Dreams	2,606	930	3,536
Winter Pressures Chair Based Pilates	4,305	-	4,305
Aiming High Trampoline Equipment	1,528	-	1,528
Safe in Sussex Community Grant	2,500	(2,500)	-
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
WSCC HAF	-	7,703	7,703
Field Place Defib	-	-	-
The Great Outdoors	-	1,672	1,672
Coronavirus Job Retention Scheme	-	-	-
	34,615	8,055	42,670
TOTAL FUNDS	1,368,801	(10,419)	1,358,382

27. MOVEMENT IN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	At 1.4.20	Net movement in funds	At 31.3.21
Unrestricted funds			
General	117,005	118,051	235,056
Designated	773,756	560,430	1,334,186
	890,761	678,481	1,569,242
Restricted funds			
Short Breaks Buddy PT	6,311	(153)	6,158
Walking Football	759	-	759
Disability Fun Day	5,770	(68)	5,702
Awards for all	9,950	-	9,950
Green Dreams	1,417	1,190	2,607
Winter Pressures Chair Based Pilates	3,922	382	4,304
Aiming High Trampoline Equipment	1,575	(47)	1,528
Safe in Sussex Community Grant	2,500	-	2,500
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
	33,311	1,304	34,615
TOTAL FUNDS	924,072	679,785	1,603,857

Company	At 1.4.20	Net movement in funds	At 31.3.21
Unrestricted funds			
Designated	773,756	560,430	1,334,186
	773,756	560,430	1,334,186
Restricted funds			
Short Breaks Buddy PT	6,311	(153)	6,158
Walking Football	759	-	759
Disability Fun Day	5,770	(68)	5,702
Awards for all	9,950	-	9,950
Green Dreams	1,417	1190	2,607
Winter Pressures Chair Based Pilates	3,922	382	4,304
Aiming High Trampoline Equipment	1,575	(47)	1,528
Safe in Sussex Community Grant	2,500	-	2,500
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
	33,311	1,304	34,615
TOTAL FUNDS	807,067	561,734	1,368,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

27. MOVEMENT IN FUNDS – continued

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	533,493	(486,773)	(46,720)	-
Designated	6,533,319	(6,598,513)	46,720	(18,474)
	7,066,812	(7,085,286)	-	(18,474)
Restricted funds				
Short Breaks Buddy PT	-	-	-	-
Walking Football	250	-	-	250
Disability Fun Day	-	-	-	-
Green Dreams	2,668	(1,738)	-	930
Winter Pressures Chair Based Pilates	-	-	-	-
Aiming High Trampoline Equipment	-	-	-	-
Safe in Sussex Community Grant	-	(2,500)	-	(2,500)
WSCC HAF	12,995	(5,292)	-	7,703
Field Place Defib	500	(500)	-	-
The Great Outdoors	12,802	(11,130)	-	1,672
HMRC Job Retention Scheme Grant	104,991	(104,991)	-	-
	134,206	(126,151)	-	8,055
TOTAL FUNDS	7,201,018	(7,211,437)	-	(10,419)

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	6,584,926	(6,603,400)	-	(18,474)
	6,584,926	(6,603,400)	-	(18,474)
Restricted funds				
Short Breaks Buddy PT	-	-	-	-
Walking Football	250	-	-	250
Disability Fun Day	-	-	-	-
Green Dreams	2,668	(1,738)	-	930
Winter Pressures Chair Based Pilates	-	-	-	-
Aiming High Trampoline Equipment	-	-	-	-
Safe in Sussex Community Grant	-	(2,500)	-	(2,500)
WSCC HAF	12,995	(5,292)	-	7,703
Field Place Defib	500	(500)	-	-
The Great Outdoors	12,802	(11,130)	-	1,672
HMRC Job Retention Scheme Grant	100,104	(100,104)	-	-
	129,319	(121,264)	-	8,055
TOTAL FUNDS	6,714,245	(6,724,664)	-	(10,419)

27. MOVEMENT IN FUNDS – continued

Comparative information in respect of the preceding period is as follows

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	266,189	(142,719)	(5,419)	118,051
Designated	3,221,399	(2,666,388)	5,419	560,430
	3,487,588	(2,809,107)	-	678,481
Restricted funds				
Short Breaks Buddy PT	-	(153)	-	(153)
Disability Fun Day	1,212	(1,280)	-	(68)
Green Dreams	2,688	(1,499)	-	1,189
Winter Pressures Chair Based Pilates	383	-	-	383
Aiming High Trampoline Equipment	-	(47)	-	(47)
HMRC Job Retention Scheme Grant	1,379,606	(1,379,606)	-	-
	1,383,889	(1,382,585)	-	1,304
TOTAL FUNDS	4,871,477	(4,191,692)	-	679,785

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	3,226,818	(2,666,388)	-	560,430
	3,226,818	(2,666,388)	-	560,430
Restricted funds				
Short Breaks Buddy PT	-	(153)	-	(153)
Disability Fun Day	1,212	(1,280)	-	(68)
Green Dreams	2,688	(1,499)	-	1,189
Winter Pressures Chair Based Pilates	383	-	-	383
Aiming High Trampoline Equipment	-	(47)	-	(47)
HMRC Job Retention Scheme Grant	1,324,623	(1,324,623)	-	-
	1,328,906	(1,327,602)	-	1,304
TOTAL FUNDS	4,555,724	(3,993,990)	-	561,734

Short Breaks Buddy PT
Discounted PT sessions and gym access for children with disabilities aged 14-18 years.

27. MOVEMENT IN FUNDS – continued

Walking Football
A lower impact, slower version of the game aimed at those over 50.

Exercise Referrals
A programme of GP referrals funded by Adur District Council.

Leisure Futures
A funded project to look into the building of a new leisure centre to replace Worthing Leisure Centre.

Winter Pressures Chair Based Pilates
The overarching aim of the programme is to improve health outcomes and reduce the demand for services by reducing the risk of falls in older people.

Aiming High Trampoline Equipment
Funding for equipment to support children and young people with disabilities and mobility issues to take part in trampolining session.

Safe in Sussex Community Grant
The grant is aimed at providing local organisations financial support to reduce crime and improve safety in their local areas using various initiatives.

Dementia Friendly Pottery
Funding for the provision of regular 'relaxed' pottery sessions for people with Dementia and Alzheimer's.

Disability Disco
A funded project to host 'Silent Discos' for young people with learning difficulties and physical disabilities.

Coronavirus Job Retention Scheme Grant
HMRC Job Retention Scheme Grant to support businesses through the COVID-19 pandemic by covering a portion of employees' wages who were furloughed due to the coronavirus pandemic

WSCC Holiday and Food Grant
West Sussex County Council offers grant funding to providers to deliver activities and food during the school holidays.

The **Great Outdoors**
The Great Outdoors AW campaign aims to remind residents of the great natural resources on our doorstep

Transfers between funds
The transfers in the year represent a reallocation between unrestricted funds and designated funds due to the interest charged on the subsidiary's loan to the Charitable Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

28. CAPITAL COMMITMENTS

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Contracted for but not provided for in the financial statements	194,244	-	194,244	-

29. LEGAL STATUS

The Charity is a Company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

30. RELATED PARTY TRANSACTIONS

During the year South Downs Leisure engaged in services from Inspace Fitness Limited, a company in which Phillip Griffin, a trustee, is a director. £486,443 (2021: £4,200) was invoiced for gym equipment. As at 31 March 2022, South Downs Leisure owed £1,861 (2021: £nil) to Inspace Fitness Limited.

Further amounts are committed to be spent with Inspace Fitness Limited as detailed in note 28.

South Downs Leisure Enterprises Limited

During 2018 a loan of £158,000 was made to South Downs Leisure Enterprises Limited, a company fully owned by South Downs Leisure, at a commercial rate of 6% per annum. During the year £31,600 was repaid (2021: £31,600) which incurred interest of £5,565 (2021: £5,419). At 31 March 2022 £31,600 (2021: £63,200) was outstanding and is included in creditors in the Charitable Company.

During the year costs were recharged to South Downs Leisure Enterprises for wages, rent, management charges and VAT, as at 31 March 2022 South Downs Leisure Enterprises was owed £63,688 from the parent (2021: £155,160).

SOUTH DOWNS LEISURE

England & Wales - Charity number 1163564

Accounts

REGISTERED COMPANY NUMBER: 9204269 (England and Wales)
REGISTERED CHARITY NUMBER: 1163564

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

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

2020-21 was dominated by the unprecedented challenges thrown up by the COVID Pandemic and various lockdowns and restrictions.

Very early on in this crisis South Downs Leisure had to close its doors to the public and then manage the influx of enquiries from customers and staff. This required a good strategy approach to the situation at hand with clear lines of communication about who would do what, when and how often. South Downs Leisure management team quickly learnt to draw up a plan and then be prepared to adapt the plan the next day, the wider workforce equally became very flexible and supportive in their approach to helping the charity through 2020.

The Management team found themselves working on exciting development projects one day, however unfortunately having to make some tough decisions on redundancies the next. During the first lockdown we made 58 staff (15%) redundant and 30% of staff took a reduction in hours. All staff volunteered to have their pay reduced from 100% to 80% from May 2020 for the rest of the year, with the exception of December 2020.

The various lockdowns saw the centres closed in:
April 2020 – July 2020
November 2020
January 2021 – March 2021

The months we opened were either a slow build or losing membership due to the pandemic back on the rise again.

Despite the challenges above we were a strong team and worked with and kept close communication with our partners and clubs. We also worked on the following projects:

- New HR and Payroll System
- Digital classes streamed to customers over our App increased the App download from 8,000 in April 2020 to 16,000 in 2021
- Adur Leisure contract and mobilisation
- Chanctonbury contract
- Mobilisation of Worthing
- Largest Fitness suite in the South East in our Sports Hall
- 6m screen during lockdown for virtual classes in Studio one at WLC
- Sealanes contract
- Palatine Football project
- Restructuring the Senior Management and Exec Management team

The Adur contract was a success with three additional centres added to South Downs Leisure. Whilst this can be seen as a risk it was a strategic risk based on being more efficient in the senior and exec teams having to work on more projects and centres. Our restructure also allowed for the acquisition of these sites as we had developed Group Facility and Development Managers. We found ourselves with an enthused team of staff that were not just returning to work to open the same old sites, they all had very new challenges ahead of them, new teams and in most cases new centres to operate.

South Downs Leisure Enterprises Ltd (the Enterprise) was looking forward to its busiest summer of weddings in 2020 partly due to winning the Wedding Industry regional awards in 2019 and we had just won the National awards in 2020 and now 2021. We initially moved our April weddings back to the late summer and early Autumn and some moved to 2021. The Enterprise has managed to reduce its costs significantly during the lockdown partly due to the venue being relatively cheap to mothball and staff moving on early during lockdown.

Over the next twelve months with the uncertainty of this virus we will be looking at potential opportunities and partnerships to put the organisation in a strong position in the future. We are working on a project to have classes at Level One, a new concept in Worthing, and continue to develop Sealanes.

The budget we have put in for Worthing and Adur are both deficit budgets as 2021-22 is a growth and recovery year for South Downs Leisure and the industry.

As well as constantly reviewing our systems and costs to ensure that we are as efficient as possible, we also continue to explore opportunities for new business and income streams. Our focus is always to make sure that SDL is business like with a strong and robust financial base, but we are a business with a purpose which is to provide excellent services that contribute to the social, community and health needs of residents in the area we serve. We are proud to do this in partnership with initiatives across the public, private, voluntary and community sectors.

Finally, I would like to thank our trustees for providing ongoing support and guidance for the South Downs Leisure team and I we also need to thank and bid farewell to Val Turner and Gillian Jackson who have given great support to the Trust.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also Directors of the Charitable Company for the purposes of the Companies Act 2006, present their report with the financial statement for the year ending 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

REFERENCE & ADMINISTRATIVE DETAILS

Name of charity
South Downs Leisure

Name of subsidiary
South Downs Leisure Enterprises Ltd

Charity and company registration
South Downs Leisure 09204269
South Downs Leisure Enterprises Ltd 09261501
Charity number 1163564

Registered office
Field Place Manor House, The Boulevard, Worthing, West Sussex BN13 1NP
Telephone and website
01903 905050
www.southdownsleisure.co.uk

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

Bank
Lloyds Banking Group
City Office
PO Box 72, Bailey Drive, Gillingham Business Park, Gillingham ME8 0L

Solicitors
Joanna Bussell
Winckworth Sherwood
Minerva House, 5 Montague Close, London SE1 9BB

Trustees

	Appointed	Resigned
G Jackson	5 February 2015	31 January 2021
K von Habsburg (Chair)	5 February 2015	
J Lawrence-Hall	5 February 2015	
S Price	3 November 2015	
A Fleetwood	1 July 2019	
R Ramdin (vice Chair)	16 October 2019	
P Griffin	24 August 2020	
P Newton	24 August 2020	
P Spencer-Snell	26 October 2020	
V Turner	26 October 2020	7 May 2021
C James	26 October 2020	

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

South Downs Leisure is a charitable company limited by guarantee constituted on 4 September 2014 and governed by articles and memorandum of association.

Charitable status was applied following the incorporation of the Trust and was awarded shortly after the Trust commenced trading on 1 May 2015. The trustees are also directors of the charity for the purposes of the Companies Act.

The charity has a wholly owned trading subsidiary, South Downs Leisure Enterprises Ltd which is used to support the activities of the Trust.

Recruitment and Appointment of Trustees

Unless otherwise determined by the company, the Board shall consist of at least three and not more than eleven individuals comprised as follows:

- Up to 8 Community Trustees
- Up to 2 Local Authority Trustees
- Up to 1 Employee Trustee

Community Trustees will always be a majority on the Board.

New community Trustees are recruited in accordance with the Board's agreement and with our Articles of Association. We will always look to complement and strengthen the skills and experience of the Trustee team on the Board. Community Trustees are appointed for three years with membership being reviewed annually.

Recruitment of the employee Trustee was initially by appointment by the senior management team in accordance with the Articles of Association but from 2016 this was changed to election by employees as agreed by the Board.

The Local Authority confirms its nominations and appointments as and when Local Authority vacancies arise.

Organisational Structure

The current Board consists of six community Trustees providing a range of experience and professional expertise.

Kris von Habsburg is Chair and Rachel Ramdin is vice Chair.

We have two sub groups which meet throughout the year to support the Board:

Finance
Andrew Fleetwood, Rachel Ramdin

People and Goverance
Joanne Lawrence Hall, Rachel Ramdin, Paula Spencer-Snell

Enterprise Directors
Joanne Lawrence Hall, Kris von Habsburg, Duncan Anderson

We held the following meetings for the period ended 31 March 2021:

- 12 x Board meetings
- 5 x Finance meetings
- 3 x People and Governance meetings
- 3 x Enterprise meetings
- 1 x Remuneration

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

South Downs Leisure Trustees
Kris von Habsburg (Chair)
Rachel Ramdin (Vice Chair)
Joanne Lawrence Hall
Sharon Price
Andrew Fleetwood
Paula Newton
Phill Griffin
Charles James (Councillor)
Paula Spencer-Snell (Staff Trustee)

To facilitate the effective operation of the Charity the Board has delegated the responsibility of administering the Charity to a Senior Management Team:

- Chief Executive Officer
- Finance Director
- Sales and Marketing Director
- Operations Director
- Human Resources Manager

Risk Management
The Trustees have a duty to identify and review the risks to which the charity is exposed and ensure appropriate controls are in place. A risk report is part of each Board agenda. The following initiatives have been implemented to reduce risk and improve risk management:

- A risk report at each Board meeting.
- A SWOT analysis conducted annually to identify weaknesses and threats.
- A calendar of audits which include Health & Safety, Financial, Quality and Food & Beverage audits.
- Sales and Generic mystery visits and Net Promoter Score surveys to ensure we are delivering the service to expectation.
- Affiliation to the Quest industry accreditation scheme to maintain high standards across all sections of our business: The current position of each site is as below.

  With closures of the sites in March 2020, the Quest assessment process has been placed on hold; neither assessments nor directional reviews will take place until the sites return pre Covid levels of footfall and overall membership. We anticipate this being a hiatus of around 18 months whilst the business focuses on the essential financial concerns. The underlying principles of the process remain in place, together with the mandatory Health and Safety compliance and we have instructed Quest Prime assessments at the two largest sites (in red as below) by way of a phased return to external monitoring and scrutiny.

Site	Current Full assessment	Last	Next	Directional Review	Last	Next
WLC	Excellent	Feb 2019	Sep 2021	Excellent	Feb 2018	TBC
Splashpoint	Excellent	April 2019	Sep 2021	Excellent	April 2018	TBC
Davison LC	Very Good	Nov 2017	TBC	Very Good	Aug 2018	TBC
Field Place	Very Good	Apr 2019	TBC	Very Good	April 2018	TBC

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

Health and Safety

South Downs Leisure is committed to embedding a culture of proactive health and safety management throughout the organisation. The Operations Director oversees regular cross-site meetings with the Facility Managers, and we aim for each site to have an appointed NEBOSH (The National Examination Board in Occupational Safety and Health) representative in this area supported by IOSH (Institution of Occupational Safety and Health) trained duty staff.

With the addition of the Adur sites, SDL has appointed a number of group roles including that of a Group Health and Safety Manager to work with the Group Facilities Managers and take overall day-to-day responsibility for Health and Safety compliance across the 7 main sites. Site specific audits will recommence in 2021/22, but there will be H and S compliance reports included in the Quest Prime assessments for WLC and Splashpoint in September 2021.

Accident and incident reporting

Over the 12-month trading period (2020/21) only 17 accidents were reported across the 4 facilities with the (3) Covid lockdowns. This figure is below the industry standard benchmark indicator, which is 5 per 10,000 at 1.7, but not significant given the unique circumstances. Historical and comparative data is shown below:

	Total Accidents	Total visits	RIDDOR	Per 10,000
2017/18	763 (including 48 staff)	1,490,000	2	5.1
2018/19	692 (including 34 staff)	1,450,000	2	4.8
2019/20*	504 (including 36 staff)	1,350,000	0	4.2
2020/21*	17	100,000	0	1.7

*Closed 21 March – 24 July and 5 November to 4 December 2020. 26 December 2020 – 31 March 2021.
No accidents have met the RIDDOR requirement for reporting in this financial year.
An EHO covid surprise visit to place– no action required.

South Downs Leisure retains the services of Right Directions and the Data Hub digital platform. Right directions are a recognised industry leader in the Health and Safety field and have provided excellent support during the Pandemic with over 20 specialist clinics. The site managers and sections heads are provided with up-to-date information and notifications of changes in legislation, together with the calendar of audits, advice, and support in respect of litigation claims.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Objectives and Activities

The objectives of the charitable company are:

- To provide or assist in the provision of both outdoor facilities in the interest of social welfare for recreation or other leisure time occupation of individuals who have need of such reason by their youth, age, infirmity or disability, financial hardship or social circumstances or to the public at large with the object of improving their conditions of life, and/or
- To promote community participation in healthy recreational activities, and/or
- To provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the condition of life for all those who use the facilities, and/or
- To promote the education of the public through the provision of facilities for the provision of performing arts, and/or such other charitable purposes as the Trustees in their absolute discretion may determine.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. We have referred to this guidance when reviewing our business plan and planning new activities for the future.

Our Vision and Mission

The Trust established a Vision, Mission Statement and Values outlined below, with our Vision reflecting the UK Active National agenda.

OUR VISION

More People, More Active, More Often.

MISSION

To deliver an inclusive range of health and wellbeing initiatives whilst providing a clean, safe and happy leisure experience.

OUR VALUES

Integrity

We will be open, honest and friendly when communicating with customers and partners, treating everyone with respect.

Equality, diversity and inclusion

We aim to ensure that the opportunities the Trust provides are accessible, are available on a non-discriminatory basis and provide maximum health and wellbeing benefits for all.

Continuous Improvement

We will strive to make the experience of users and visitors better by continually reviewing our activities and procedures.

Partnership working

We will develop and sustain strong and effective partnerships with local and national organisations in pursuit of our vision: More People, More Active, More Often.

Innovation

We will explore the introduction of new products and services, driven by technology, industry research and best practice.

Staffing

We will ensure that all our staff are professionally qualified and/or appropriately trained to deliver the service required and respond effectively and quickly to customer enquiries.

OBJECTIVES AND ACTIVITIES – continued

Environmental awareness
We will endeavour to be an environmentally conscious organisation and will continually review our services to ensure best practice.

A Strong Board
Selection and recruitment of the Board was planned with a clear vision to provide a good range of interested, articulate and passionate volunteers with a strong mix of experience, age and gender. The Board has developed a deep understanding of the aims of the Trust and provide strong, but challenging, support and guidance.

Executive Management Team
The Exec Management Team is led by the Chief Executive and includes, Finance Director, Operations Director, Sales & Marketing Director, Group Facility Manager Worthing, Group Facility Manager Adur, HR Executive and the Group Development Manager. Below this we have a Senior Management team. During the various lockdowns and as a direct result of taking on an additional contract in Adur we have conducted a significant restructure. This was a once in a generation opportunity to make the staffing work for South Downs Leisure rather than South Downs Leisure fit around the staffing. As a result of this the vast majority of the SMT saw their grade increase.

We would normally hold various sub groups to ensure the business plan is delivered, but during 2020 the business needs and pandemic changed on a daily basis and our management team had to become agile and adapt accordingly.

Remuneration policy for key management personnel
A remuneration committee has been organised for future review of remuneration for key management personnel. Historically all changes in grade have been passed by the HR/people and Governance subgroup. Cost of living increases are passed by the Board.

Training
We are committed to understanding the sector we operate in and the local and national agenda. To achieve this, we must ensure staff have every opportunity to attend conferences and seminars and attend Continuous Professional Development courses.

We have committed to funding CIMSPA membership, which is our Chartered Institute.

We are committed to maintaining this budget for the future and looking to continue with the mentoring scheme and management training on alternate years. Many staff undertook training whilst on furlough which kept staff up-to-date and engaged.

OBJECTIVES AND ACTIVITIES – continued

Workforce Make Up

The total workforce at the time of TUPE was 367 employees. There was a total of 419 employees at this time in September 2020. The total workforce number does fluctuate monthly by approx. 25 employees due to two factors; seasonal variations around busy/school holiday periods and taking off the casual employees who have not worked within the organisation for the last three months which is an Inland Revenue requirement. The COVID-19 pandemic caused the business to close between 21 March and 25 July 2020. It was clear during this time that when the business re-opened there would be restrictions with social distancing and additional cleaning which would reduce the number of classes and activities we were able to offer. As a result of this all staff were placed at risk in May 2020; concluding in 58 redundancies being made, and variations made to many contracts to reduce hours and ensure the viability of the company once we were able to reopen.

Gender Pay Gap Reporting

On 6 April 2017, new regulations came into force requiring organisations with 250 or more employees to publish annual reports containing detailed information regarding the Gender Pay Gap (including bonus pay) between men and women across their workforce.

Gender Pay Gap - March 2021	MALE				FEMALE			
	Number	Mean	Median	%	Number	Mean	Median	%
Whole Organisation	253	10.39	8.21	0.37	432	11.46	8.43	0.63
Upper Quartile	53	18.59	18.37	0.31	118	19.11	19.96	0.69
Upper Middle Quartile	63	10.46	9.63	0.37	109	10.56	9.72	0.63
Lower Middle Quartile	51	8.11	8.21	0.30	120	8.17	8.21	0.70
Lower Quartile	86	6.63	7.64	0.50	85	6.67	7.64	0.50
	506	**54.18**	**52.06**	**1.85**	**864**	**55.97**	**53.96**	**3.15**

In summary we are proud to report that there continues to be a fair balance of pay rates between male and female employees across the organisation.

STAFF PROFILES

As of July 2021	
Total staff numbers	515
Ethnic minorities*	7%
Disabled	2%
Total posts	730

* Ethnic Minorities is inclusive of anyone who has disclosed themselves as not being white British.

We continue to use fair recruitment practices and ensure open and transparent processes to encourage all interested parties to apply for roles.

We are proud that we have obtained again the Disability Confident accreditation.

OBJECTIVES AND ACTIVITIES – continued

Continuous Improvement

A key to the success of South Downs Leisure is in the desire to improve, reinvest and be at the forefront of new initiatives. We actively support CIMSPA membership (the Chartered Institute for the Management of Sport and Physical Activity) with several of the senior team holding Fellow and Associate memberships. This has been extended during 2020 to add more members of the 21 strong Senior Management Team.

Please see table below detailing the historical performance monitors since SDL was formed and the status of current audits. As previously mentioned, these audits will recommence once visitor numbers return and the overall financial position is clearer.

Audits	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
F&B Worthing LC	N/A	85%	92%	98%	99%	On hold	On hold
F&B Splashpoint	N/A	90%	96%	100%	100%	On hold	On hold
F&B Field Place	N/A	79%	91%	90%	85%	On hold	On hold
Management Audit WLC	N/A	69%	78%	80%	82%	On hold	On hold
Management Audit SP	N/A	73%	75%	89%	67%	On hold	On hold
Management Audit FP	N/A	70%	68%	84%	68%	On hold	On hold
Management Audit DLC	N/A	64%	75%	77%	74%	On hold	On hold
Quality Audits Worthing LC	63%	75%	88%	92%	90%	83%	On hold
Quality Audits Splashpoint	69%	85%	90%	93%	92%	89%	On hold
Quality Audits Field Place	65%	73%	78%	91%	88%	84%	On hold
Quality Audits Davison LC	85%	91%	88%	91%	87%	78%	On hold
H&S Audit Worthing LC	75%	84%	90%	91%	91%	90%	Quest Prime Sept 2021
H&S Audit Splashpoint	74%	90%	92%	93%	87%	91%	Quest Prime Sept 2021
H&S Audit Field Place	86%	92%	90%	94%	93%	94%	On hold
H&S Audit Davison LC	85%	91%	88%	86%	87%	92%	On hold
NPS Worthing LC	31%	31%	43%	38%	38%	41%	On hold
NPS Splashpoint	23%	19%	30%	39%	41%	41%	On hold
NPS Group	25%	23%	35%	39%	39%	41%	On hold

	On target
	<15%
	>15%

OBJECTIVES AND ACTIVITIES – continued

CUSTOMER SATISFACTION

South Downs Leisure recognises that the customer is at the heart of the business and continually monitors satisfaction ratings using the "Net Promoter Score" system. NPS is a management tool that can be used to gauge the loyalty of an organisation's customer relationships. It serves as an alternative to traditional customer satisfaction research and has been adopted by more than two thirds of Fortune 1,000 companies as well as many of the leisure industry providers.

With the 2020/21 closures monitoring has been suspended, but SDL has continued to remain in touch with customers via a variety of social media platforms. The use of the Leisure Net Solutions "E-Focus" online comment monitoring has allowed members to give feedback on SDL's digital course offering and to be alerted to government directives on the opening and closing of sites through the 3 lockdown periods.

ACHIEVEMENTS AND PERFORMANCE

COVID certainly had a significant effect on the leisure industry and South Downs Leisure was no exception. Our normal business hours would see us close for 1-2 days per year with the occasional closure in some areas for maintenance outside of these days. COVID closed all our sites for over 245 days in 2020-2021 and the 120 or so days that we were able to open, we did so on a limited and reduced operation.

Our focus was to protect the charity, protect jobs, look after staff and support the community.

In April 2020 we had to reduce our fixed costs with immediate effect and like all other businesses indulge ourselves in the numerous video calls and education on the new Furlough system which itself changed on four occasions. We set up weekly zoom calls which at its peak saw over 100 staff dial in to ask questions and listen to the CEO give updates on the business. By May 2020 we had also introduced a new Payroll system which allowed us to email staff wage slips.

Unfortunately, we had to make 14% of the team redundant which involved over 30 consultation meetings with staff. During the first lockdown we were always looking forwards at how we could position the charity to thrive as we come out of the pandemic. Initially, to protect the costs we moved all our fitness kit into one sports hall creating the largest gym on the South Coast, which was 17,000sqft. This allowed us to open one gym rather than three and create greater social distancing. We also installed a second 6m screen in one of our studios which meant we could put on more virtual classes and we developed our App, becoming a showcase in the UK with streaming classes from instructors' homes over the App into customer homes. The digital classes were free to all customers that had the App and we saw our App downloads double during lockdown from 8,000 to 16,000. During the second lockdown we opened this service up to the whole of the Adur and Worthing community using the Council Health & Wellbeing team to promote this.

During 2019 we had been reviewing the various teams and we were in the process of a restructure just as COVID hit. From May 2020 we continued with the re-organisation of the teams which saw several staff promoted into new positions, this coincided with our decision to take on the Adur contract and operate Lancing Leisure Centre, Wadurs and Southwick Leisure Centre. Taking these sites on did allow us to maintain more staff and create new jobs. This also gave us greater economies of scale at a time when we had scaled right down in Worthing.

The Adur contract was a challenge within the pandemic but one that the staff took to with enthusiasm and optimism. As well as creating good morale for the teams this gave the staff a clear focus and a sense of a positive future ahead.

Throughout the lockdown we continued to support the community where it was possible, encouraging staff to help out with the food bank service in Worthing, donating food and other supplies to a local homeless charity at the start of lockdown, volunteering at vaccination hubs and supporting community groups as we came out of lockdown, one being Eastbrook gardening group with a small donation to support a project at one of our new Adur sites.

We have continued to look ahead and in July 2021 we hope to start the building works on a new football centre in Palatine Park. We have also just been named as the preferred operator for the 50m Lido in Brighton which is expected to open in the Spring/Summer of 2022.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

ENVIRONMENT AND SUSTAINABILITY

Whilst SDL is primarily a charitable trust focusing on the delivery of leisure services for WBC, the values of community focus, wellbeing and sustainability are very much at the heart of the business ethos. In addition to caring about plastics and engaging in the above initiatives, we also deliver a number of other environmentally friendly activities including the following:

- Ground source heat pumps at Splashpoint Leisure Centre
- Solar panels on Splashpoint, Davison, Lancing manor and Southwick leisure centres
- Paper – utilising double-sided, black and white printing as default and using recycled paper wherever possible
- Wildlife – Beehives at both Splashpoint and Worthing Leisure Centre and bee friendly planting. Additionally, local marine species are showcased on the paddling pool wall
- Recycling – stations available at all our sites
- Toilets – reclaimed water powers our toilets at Splashpoint which are also fitted with reduced flush mechanisms
- Movable Pool Floors – energy savings of 30%
- UV filtration system – reducing the need for chemicals
- Showers – timed to reduce water consumption
- LED lighting - already in place at some sites with the aim to replace all by 2021
- Champions – site specific energy champions are in place
- Working in partnership and funding with the Goodgym project
- Working with the Conservation Volunteers
- Various transport related initiatives for staff and customers.

Actions towards a Plastic Free Business accreditation to date:

- SDL lead on the Green Dreams festival – encouraging local and sustainable products
- SDL impose a surcharge on disposable cups in our café and provision of an eco-cup. Water bottles are available to customers
- Ongoing environmental focus and encouragement within our internal monthly staff newsletters e.g. Proactive about Paper
- Holiday programme additions encouraging recycling (through recycling relays), beach awareness and conservation sessions
- Recycling stations available at all 7 SDL sites
- Removal of plastic straws within our cafes
- Replacement of plastic promotional bags with paper bags

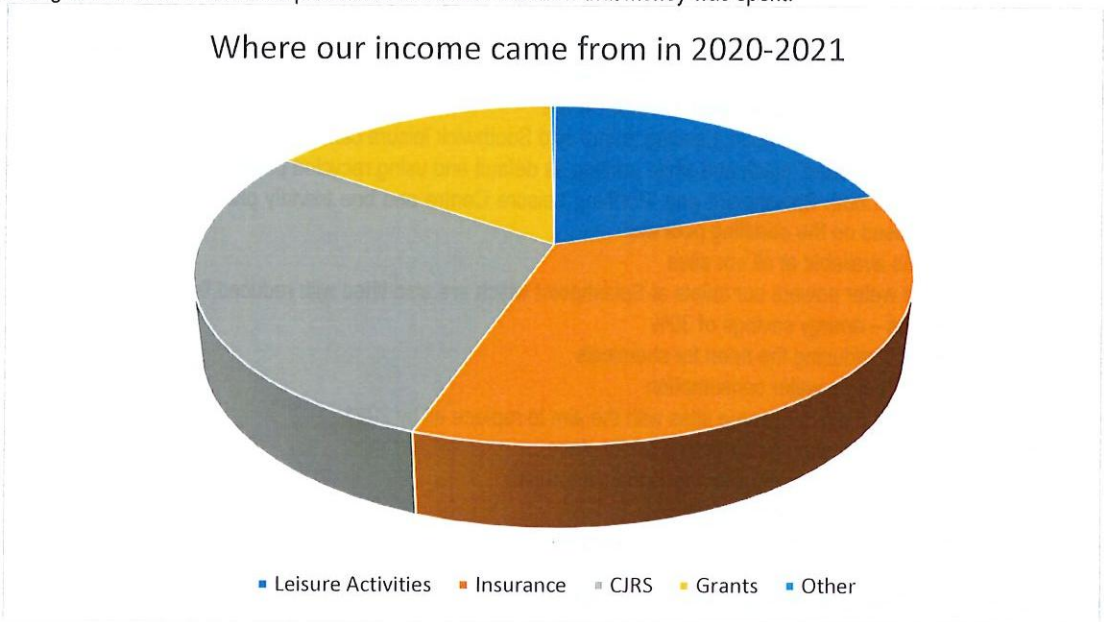
Proposed Actions for the future:

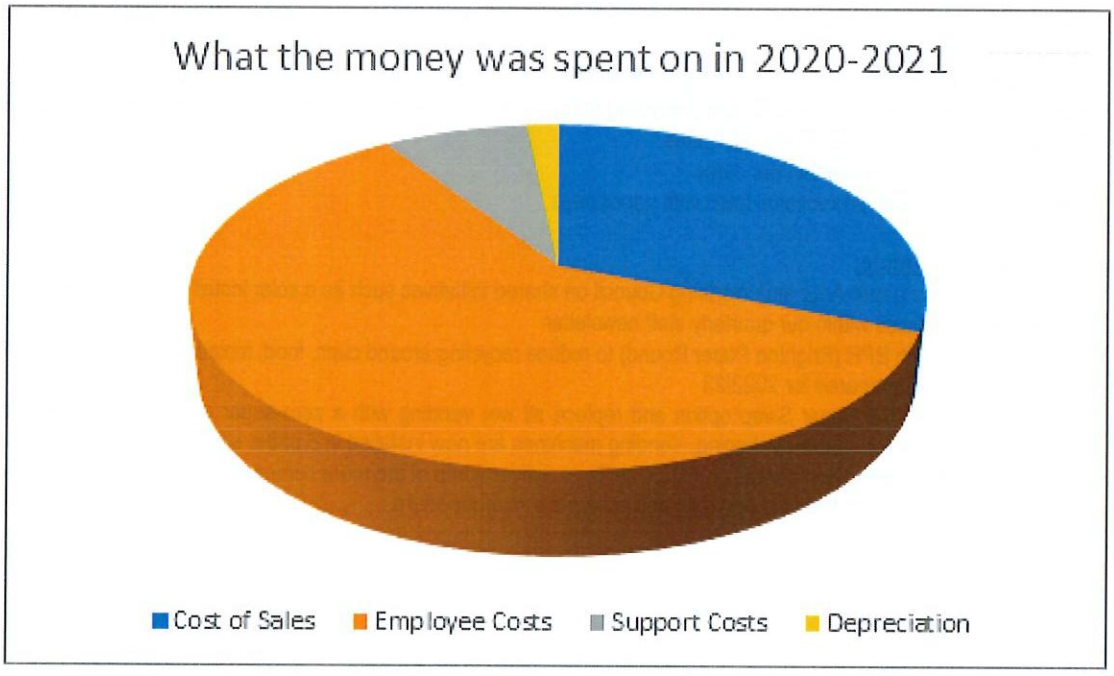
- Further joint working with Adur and Worthing Council on shared initiatives such as a solar install at Field Place
- Target specific articles within our quarterly staff newsletter
- Looking to work with BPR (Brighton Paper Round) to reduce recycling around cups, food, mixed paper and coffee grounds). A proposal is being prepared for 2022/23
- SDL have adopted the Sugar Swap option and replace all wet vending with a zero-sugar option (IPro). This product is accredited as 100% recyclable packaging. Vending machines are now installed in 6 of the sites
- The pandemic has certainly impacted on SDL's ability to deliver some of the more community based projects, but these will again come in to focus as financial certainty and customers number return

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

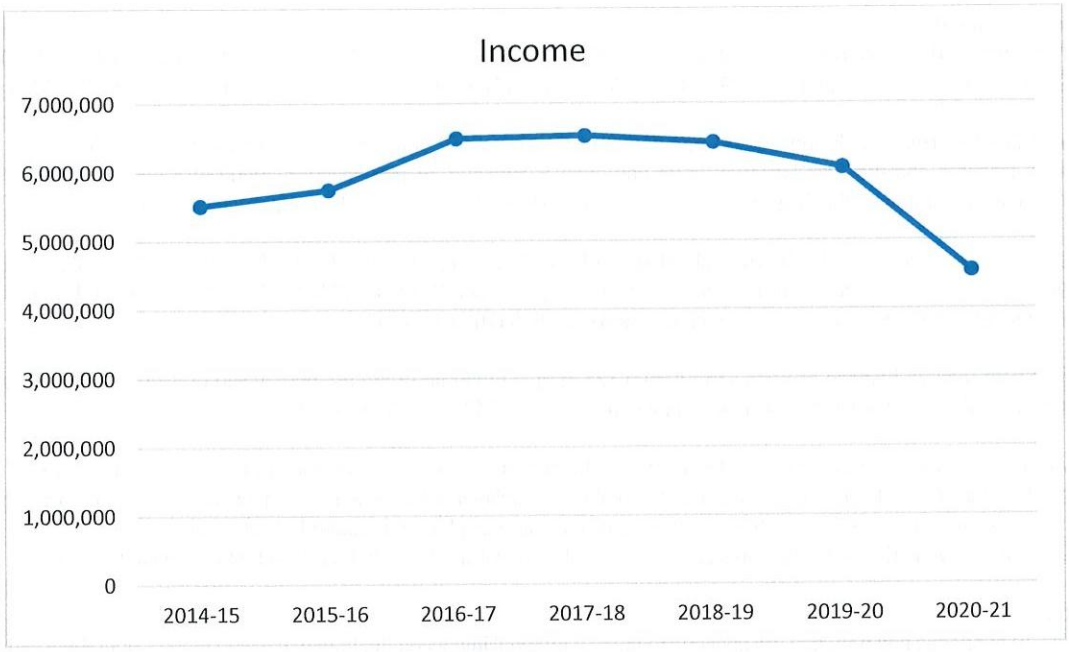
FINANCIAL REVIEW

The following charts show which sites produced our income and how that money was spent.





FINANCIAL REVIEW – continued



The above chart shows the income year on year. 2013-2015 we were a council Direct Service Organisation.

The above chart shows staff costs as a % of income. 2018-21 figures include Head Office costs.

Reserves

Surpluses on trading and charitable activities will be transferred to a risk reserve and an improvement reserve. After the accumulation of 891k into the risk reserve, then the Trust shall transfer up to £100,000 of any surplus generated into a designated account, the Improvement Reserve.

FINANCIAL REVIEW – continued

Reserves - continued

The group has returned a surplus of £679,785 (2020: £91,790 deficit). The accumulated reserves for the group amounted to £1,603,857 (2020: £924,072), including restricted funds of £34,615 (2020: £33,311) and unrestricted funds of £1,569,242 (2020: £890,761).

In the event that the Trust meets the agreed Risk Reserve target of £891,000 and after £100,000 has been transferred into the Improvement Reserve and the Risk Reserve target has been maintained for a continuous period of 3 months, then 50% of any additional surplus generated by the Trust in any Service Year shall be shared with Worthing Borough Council.

The Trust had total reserves at the balance sheet date of £1,368,801 (2020: £807,067). £891,000 (2020: £450,365) has been designated as the risk reserve in accordance with the reserves policy and £443,186 (2020: £323,391) has been designated as the improvement reserve. Restricted funds at the year end were £34,615 (2020: £33,311).

The improvement reserve balance of £443,186 (2020: £323,391) is made up of the net book value of fixed asset purchases since incorporation of £229,595 (2020: £256,441) and unspent reserves of £213,591 (2020: £66,950).

The COVID-19 crisis saw the reserves depleted between March and October 2020 resulting in the need for a government backed CBILS bank loan for £750,000. No repayments are due for the first twelve months, giving the organisation time for recovery before the first repayment is due. In December 2020 the insurance claim was accepted and ensured stability with a cover of £2.5m. To date £1.8m has been received. The certainty of this support will enable the CBILS loans to be repaid before any interest is due.

Going concern

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

- Customer's behaviour
  Since the centres re-opened in April and May 2021 the membership numbers have gradually been rebuilding. The measures that we and the industry have put in place to mitigate risk has clearly given customers the confidence to resume using the facilities. During the pandemic a virtual class was provided to members and the community at large for free during lockdowns. There was a good take up for this which has encouraged us to provide a digital membership in addition to our traditional FIT4 membership. Providing an in person and a virtual service gives us the opportunity to retain those customers not yet confident enough to return to our centres but also to gain customers who do not enjoy or are not able to take part in traditional leisure activities.
- Continued presence of COVID-19
  The world is learning to live with COVID-19 and, due to the success of the vaccination programme, there is a decreasing concern that an increase in cases over the winter months may lead to another nationwide lockdown. We continue to use increased cleaning and optional mask wearing around the centres. Our dedicated Group Health and Safety Manager ensures that we are always on top of government guidelines as well as industry best practice.
- Financial Support
  Support has been secured during the period from Worthing Borough Council, in the form of a Coronavirus Business Interruption Loan (CBIL) and an insurance claim based on the loss of earnings during the period. We have also been in receipt of the Coronavirus Job retention Scheme (furlough) grant along with a number of other central government support grants made available to the leisure industry.

Although the COVID-19 pandemic has affected South Downs Leisure, as it has the rest of the leisure industry, we believe that the steps we have taken to reduce costs and to increase sales by connecting with the community through technology, even if they are not comfortable in using our centres, will give the Trust a stable base moving forwards. Support from Worthing Borough Council contributes greatly to the ability of South Downs Leisure to continue to provide a service to the local community. There is also an ongoing insurance claim based on loss of earnings throughout the pandemic. Currently the insurers have accepted liability of £1,800,000 based on the possible group earnings for the year ended 31 March 2021. This will be an ongoing review until the 2021 figures are finalised and then there will be a review of the year ended 31 March 2022 figures.

During the pandemic we have made use of the Coronavirus Job Retention Scheme and will be utilising other furlough schemes as necessary. We also secured a CBILS loan of £750,000 for the Charitable Company and £100,000 for South Downs Leisure Enterprises Limited to provide support while the pandemic takes its course.

FINANCIAL REVIEW – continued

Going concern – continued
The Kickstart scheme was introduced to provide work placements for 16 to 24 year olds who were claiming Universal Credit. South Downs Leisure has utilised this scheme, which helps both the employee and the employer, to reduce staffing costs whilst creating more jobs in the local area.

The Board of Trustees has taken into account the uncertainty caused by COVID-19 and are satisfied that, assuming the Group with the confirmed support, customers behaviour is in line with industry expectations, and there aren't further spikes in COVID-19 which results in enforced lockdowns, then it will be able to meet all its obligations as and when they fall due. Accordingly, whilst drawing the reader's attention to the underlying uncertainties that the COVID-19 pandemic has caused, they consider it appropriate to continue to prepare the financial statements on a going concern basis.

Plans for the future
By restructuring the business and taking on the additional Adur contract we feel that the business is poised to deal with the changing business environment. We have shown our agility and flexibility in coping with the Covid crisis, which we will continue to use in the growth and reinforcement of the Trust. The opportunities of Palatine Park and Sealanes are already being embraced by the team. At the same time, we are committed to sustainability and the environmental impact of the Trust. From recycling to larger projects, like installing solar panels at Field Place, we will continue to strive for a business financially successful, creating stability for our staff, whilst prioritising the environment.

ACCOUNTABLE AND TRANSPARENT
The work of the Trust sits largely in the public domain and through its values, club and customer focus groups, surveys & feedback mechanisms it strives to engage with all interested parties. The business plan and objectives are published and subject to public scrutiny.

As part of the service agreement with Worthing Borough Council, the Trust provides regular reports to the Council on its performance through monitoring Key Performance Indicators (KPIs).

FUNDRAISING
As a charity our income is derived from charitable trading and as such, we do not undertake any specific campaigns which require donations.

DISABLED PERSONS
The parent Charitable Company and its subsidiary undertakings' policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

ENGAGEMENT WITH EMPLOYEES
Communication with employees has been paramount during the COVID-19 pandemic. Weekly Zoom calls with the CEO for all staff have been instigated, and have continued since reopening, as we recognise how important it is for staff to see the CEO and have the opportunity to ask questions directly. There are weekly staff newsletters and social media posts.

It was recognised at the start of the pandemic that reopening would be under various restrictions and the service would need to be reduced accordingly. A number of redundancies were made and variations to contracts to reduce hours. These measures, alongside all staff only receiving 80% of their salaries between May 2020 and March 2021, have contributed greatly towards the survival of the Trust.

The effect of the pandemic, redundancies, variations in contract, shielding and social distancing have all affected the staff in different ways. To acknowledge the effects suffered by staff and to provide support we have appointed a number of Workplace Champions. These are volunteers who have be given training to support staff, provide a means of signposting staff to additional support and coordinating with management as necessary.

Worthing Counselling Service was employed as the Employee Assistance Programme provider during 2019/20. This is a local charitable service which has already proved more popular than the previous, more generic, service. We are helping our staff and another local charity which fits perfectly with our ethos.

Our board of Trustees also includes a Staff Trustee to represent the staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of South Downs Leisure 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).

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:

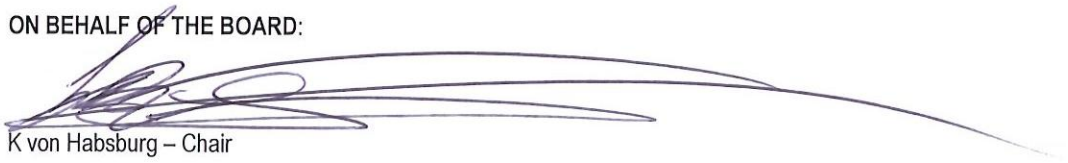
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
  state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 the 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.

ON BEHALF OF THE BOARD:



K von Habsburg – Chair

Date: 23 August 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH DOWNS LEISURE

Opinion

We have audited the financial statements of South Downs Leisure (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements which indicates that the effects of the COVID-19 pandemic has had a detrimental impact on the trading results of the Group and Charitable Company. As stated in note 3 these events or conditions, along with other matters as set forth in note 3 indicate that a material uncertainty exists which may cast significant doubt on the Group's and Charitable Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the group 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 SOUTH DOWNS LEISURE

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of 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 by the parent charitable company and its subsidiary, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 group's and the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charitable Company through discussions with trustees and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and 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 Group's and Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 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 trustees' and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 23 August 2021

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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

	Notes	Unrestricted Funds	Restricted Funds	31.3.21 Total Funds	31.3.20 Total Funds
		£	£	£	£
INCOME					
Donation income	5	-	1,324,623	1,324,623	50,889
Income from charitable activities: Operation of leisure, recreation sites and health activities	6	1,612,765	4,283	1,617,048	5,951,772
Income from other trading activities: Commercial trading operations	7	266,189	54,983	321,172	565,064
Other income	8	1,608,634	-	1,608,634	-
TOTAL INCOME		3,487,588	1,383,889	4,871,477	6,567,725
EXPENDITURE					
Costs of raising funds: Commercial trading operations	7	142,719	54,983	197,702	548,685
Expenditure on charitable activities: Operation of leisure, recreation sites and health activities	10	2,666,388	1,327,602	3,993,990	6,110,830
TOTAL EXPENDITURE		2,809,107	1,382,585	4,191,692	6,659,515
NET (EXPENDITURE) / INCOME BEFORE TAXATION AND TRANSFERS		678,481	1,304	679,785	(91,790)
GROSS TRANSFERS BETWEEN FUNDS		-	-	-	-
NET MOVEMENT IN FUNDS		678,481	1,304	679,785	(91,790)
RECONCILIATION OF FUNDS:	26				
FUNDS BROUGHT FORWARD		890,761	33,311	924,072	1,015,862
FUNDS CARRIED FORWARD		1,569,242	34,615	1,603,857	924,072

All incoming resources and resources expended arise from continuing activities. The group has no other recognised gains and losses other than those stated above.

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2021

	Notes	31.3.21 Total Funds £	31.3.21 Total Funds £	31.3.20 Total Funds £	31.3.20 Total Funds £
FIXED ASSETS					
Intangible assets	16		54,666		77,756
Tangible assets	17		263,582		337,421
Investments	18		-		-
			318,248		415,177
CURRENT ASSETS					
Stocks	19	33,819		8,409	
Debtors	20	1,087,760		301,795	
Cash at bank and in hand		1,746,455		869,651	
		2,868,034		1,179,855	
CREDITORS					
Amounts falling due within one year	21	(793,343)		(639,151)	
NET CURRENT ASSETS			2,074,691		540,704
TOTAL ASSETS LESS CURRENT LIABILITIES			2,392,939		955,881
CREDITORS					
Amounts falling due after one year	22	(762,500)		-	
			(762,500)		-
PROVISIONS FOR LIABILITIES	15		(26,582)		(31,809)
NET ASSETS			1,603,857		924,072
FUNDS					
Unrestricted income funds			235,056		117,005
Unrestricted designated funds			1,334,186		773,756
Restricted funds			34,615		33,311
TOTAL FUNDS	26		1,603,857		924,072

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 23 August 2021 and were signed on its behalf by:

.....
K von Habsburg – Chair

Company Registered number: 09204269
Registered Charity number: 1163564

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

COMPANY BALANCE SHEET
AT 31 MARCH 2021

	Notes	31.3.21 Total Funds £	31.3.21 Total Funds £	31.3.20 Total Funds £	31.3.20 Total Funds £
FIXED ASSETS					
Intangible assets	16		54,666		77,756
Tangible assets	17		123,678		170,006
Investments	18		1		1
			178,345		247,763
CURRENT ASSETS					
Stocks	19	33,819		8,409	
Debtors:	20	1,137,081		514,257	
Cash at bank and in hand		1,499,898		538,823	
		2,670,798		1,061,489	
CREDITORS					
Amounts falling due within one year	21	(817,842)		(502,185)	
NET CURRENT ASSETS			1,852,956		559,304
TOTAL ASSETS LESS CURRENT LIABILITIES			2,031,301		807,067
CREDITORS					
Amounts falling due within one year	22	(662,500)		-	
			(662,500)		-
NET ASSETS			1,368,801		807,067
FUNDS					
Unrestricted designated funds			1,334,186		773,756
Restricted funds			34,615		33,311
TOTAL FUNDS	26		1,368,801		807,067

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 23 August 2021 and were signed on its behalf by:

.....
K von Habsburg – Chair

Company Registered number: 09204269
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The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

		Group 31.3.21 £	Group 31.3.20 £	Company 31.3.21 £	Company 31.3.20 £
Cash flows from operating activities	1	87,098	172,089	230,566	15,583
Cash flows from investing activities					
Purchase of tangible fixed assets		(19,800)	(122,307)	(19,800)	(106,320)
Purchase of intangible fixed assets		-	(62,638)	-	(62,638)
Finance charges		(40,494)	(40,152)	(36,710)	(36,756)
Interest receivable		-	-	5,419	7,081
Net cash from investing activities		(60,294)	(225,097)	(51,092)	(198,633)
Cash flows from financing activities					
Loan to Enterprises		-	-	31,600	31,600
New loan		850,000	-	750,000	-
		850,000	-	781,600	31,600
(Decrease)/Increase in cash and cash equivalents in the reporting period		876,804	(53,008)	961,075	(151,450)
Cash and cash equivalents at the beginning of the reporting period	2	869,651	922,659	538,823	690,273
Cash and cash equivalents at the end of the reporting period	2	1,746,455	869,651	1,499,898	538,823

The notes form part of these financial statements

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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

1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 31.3.21 £	Group 31.3.20 £	Company 31.3.21 £	Company 31.3.20 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	679,785	(91,790)	561,734	(101,088)
Depreciation/amortisation charges	116,730	160,574	89,220	133,372
Finance costs	40,494	40,152	36,710	36,756
Interest received	-	-	(5,419)	(7,081)
(Decrease) / Increase in stock	(25,410)	38,215	(25,410)	38,215
(Increase) / Decrease in debtors	(785,965)	53,849	(809,974)	13,093
Decrease / (Increase) in intercompany	-	-	310,709	(81,206)
Increase / (Decrease) in creditors	61,464	(28,911)	72,996	(16,478)
Net cash flow from operating activities	87,098	172,089	230,566	15,583

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

Group

	31.3.21 £	31.3.20 £
Cash in hand and at bank	1,746,455	869,651
	1,746,455	869,651

Company

	31.3.21 £	31.3.20 £
Cash in hand and at bank	1,499,898	538,823
	1,499,898	538,823

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

1. STATUTORY INFORMATION

South Downs Leisure (A Company Limited by Guarantee) is a registered charity. The Charity's registered number and registered office address can be found on the Charity Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the provisions of FRS 102 (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There were no material departures from that standard.

The group's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the group. The financial statements are therefore presented in British Pound Sterling.

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

South Downs Leisure

- A significant reduction in income from April 2020 to date.
- The closure of all leisure facilities in the United Kingdom by the various governments periodically throughout the year from April 2020.
- The closure of all leisure facilities in the United Kingdom in January 2021 with outdoor leisure sites reopening from April 2021 and indoor leisure sites reopening from May 2021.
- A reduction in income compared to previous years when open due to the measures that are required to ensure our facilities are COVID secure. The required measures limit the services offered and capacity of leisure sites.
- On 19 July 2021 these restrictions were removed.

The full extent of the impact of COVID-19 on the Charitable Company is still unknown.

- The impact of changes in customers behaviour and confidence levels as a result of the continued existence of the pandemic in our society is currently unknown and, if customers do not return to sites as anticipated, this will have a significant impact on revenue generation.
- Whilst restrictions were lifted on 19 July 2021, the government may need to implement measures in the future to limit the spread of the virus.
- The impact of new variants of the virus on government policy and the vaccination program are uncertain.

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

- We have taken and continue to take advantage of the Coronavirus Job Retention Scheme
- We were successful in receiving £750,000 through the Coronavirus Business Interruption Loan Scheme
- We have successfully negotiated financial support from Worthing Borough Council for a total of £674,619 in 2020/21
- We have applied for, and been successful in receiving, a loss of income claim through our insurance company of £1,800,000 in 2020/21.

3. ACCOUNTING POLICIES – continued

Going concern - continued

- We have put new hygiene measures in place at our gyms, pools and fitness classes in line with coronavirus regulations.
- We have established across all of our services a minimum viable offering of services from re-opening.
- We have introduced virtual exercise classes on our APP; live streaming plus a back catalogue.

South Downs Leisure Enterprises Limited

- The closure of Field Place on 23 March 2020 in line with the UK Government restrictions resulted in no income from the trading activities from 23 March 2020 to the reopening of the venue.
- The venue was permitted to reopen on 15 August 2020 with functions restricted to 30 guests.
- From 28 September 2020 the numbers of guests permitted to attend a wedding ceremony was reduced to 15.
- Receptions and celebrations had to be a sit-down meal.
- Venues hosting wedding receptions and celebrations had to be closed between 10pm and 5am.
- Groups of more than 6 people from different households could not meet up in England thus preventing the booking of parties at the venue.
- From 19 July 2021 there are no longer any restrictions on weddings and venue hire.

The full extent of the impact of COVID-19 on the subsidiary is still unknown:

- Whilst restrictions have now been lifted the government may at some point need to implement measures to limit the spread of the virus and the possibility of another local or nationwide lockdown with no government support package would have a significant impact on the subsidiary's ability to realise its assets and settle its liabilities in the ordinary course of business.

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

- We have limited costs to only those that are essential in keeping the venue running and in a reasonable state of repair throughout the periods of closure and limited activity.
- Capital purchases will only be made as necessitated by business need as, and when, returning numbers make these investments feasible.
- We have a continued relationship with the parent, South Downs Leisure, with funds that can be utilised if absolutely necessary.
- We were successful in receiving support of £100,000 through the Coronavirus Business Interruption Loan Scheme.

Cash flow forecasts and budgets have been produced up to March 2024 based on a gradual improvement over the next few years which we feel will be the appropriate length of time to recover to pre-Covid levels. Management carried out an extensive review of the underlying cost base of the business and restructured during 2020-2021, creating a strong, agile management team that will ensure the success of South Downs Leisure over the recovery period and beyond.

These forecasts indicate that the Charitable Company will remain within its financing facilities for the foreseeable future and will be able to meet its financial obligations as they fall due. However, in the current climate, it is extremely difficult to arrive at reliable expectations on which to base assumptions. If the key assumptions are not achieved as a result of the uncertainties noted above, this may cast doubt on the Charitable Company's ability to continue to operate.

Although it is not certain that these efforts will be successful, the board and executive management team has determined that the actions taken are sufficient to mitigate the uncertainties and has therefore prepared the financial statements on a going concern basis.

There are material uncertainties related to the events and conditions set out above that may cast significant doubt upon the group and Charitable Company's ability to continue as a going concern and therefore whether the group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

3. ACCOUNTING POLICIES – continued

Preparation of consolidated financial statements
The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary South Downs Leisure Enterprises Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account is not presented for the Charitable Company itself in accordance with the exemptions afforded by paragraph 397 of the SORP.

Income recognition
All incoming resources from recreation and leisure sites are included on the Statement of Financial Activities when the charitable company is legally entitled to the income, the amount can be quantified with reasonable accuracy and it is probable that the charitable company will receive the income. Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences. Some services are provided in advance of an invoice being raised and as such is accrued until the invoice has been raised and the income recognised in the income and expenditure account. Income for annual memberships is accounted for over the membership year.

Grants receivable
Grants receivable in respect of a specified period relating to the general activities of the charitable company are recognised in the Statement of Financial Activities in the period in which they become receivable. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use.

Government grants
Government grants are recognised when it is reasonably certain that the conditions attached to the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

During the year the Charitable Company received the following revenue based grant:

- Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received in respect of the parent has been included in donations (note 5) and in respect of the subsidiary in commercial trading operations (note 7).
- Local Restrictions Support Grant (LRSG) to support businesses during the lockdown from 5 January 2021. The amount received has been included in income (note 6).
- Business Rate Grant to cover business rates for retail, hospitality and leisure due to coronavirus. The amount received has been included in income (note 6).
- Local Authority support in respect of the re-opening of the facilities including Splashpoint. The income received has been included in income (note 6).
- Local Authority support in respect of reduced service charges, reduced maintenance costs and the refund of the 2018/19 gain share charge. The income received has been included in income (note 6).
- The Charitable Company and subsidiary both applied for the Coronavirus Business Interruption Loan Scheme (CBILS) to support them during the COVID-19 pandemic. As the Government guarantees a proportion of the loan and the interest due within the first year is paid by the Government, the Business Interruption Payment has been included in income (note 6) and commercial trading operations (note 7).

Unrestricted Funds
Unrestricted funds are incoming resources receivable or generated for the objects of the charitable company 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.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

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

3. ACCOUNTING POLICIES – continued

Support costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative, and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets
Fixed assets costing in excess of £5,000 are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and Fittings	- straight line over 5 years, straight line over 23 years
Exercise Equipment	- straight line over 5 years
IT, Audio & Visual Equipment	- straight line over 5 years

Irrecoverable VAT
Given the nature of the Charitable Company's activities it attracts exempt supplies, which results in the Charitable Company falling under the partial exemption scheme. Input VAT is fully recovered on taxable supplies, together with a proportion of non-attributable input VAT. Irrecoverable VAT is written off to the Statement of Financial Activities.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Service Concession Arrangements
The charitable company has a Service Contract with Worthing Borough Council for the operation of leisure centres owned by the Council to which it has lease and management service contracts. Worthing Borough Council has rights under the contracts to specify the activities offered by the centres and has influence over the prices charged for them and specifies minimum standards for the services to be provided.

Property, plant and equipment
The buildings and plant at the centres are leased to the charitable company as part of the overall contractual relationship with Worthing Borough Council but the Council maintains ultimate control of these assets. Accordingly the access which the charitable company has in the use of these assets is to enable it to operate the leisure centres, so that the charitable company can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the charitable company's Balance Sheet.

Stocks
Stocks are valued at the lower of cost and estimated selling price less costs to sell, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Debtors receivable and creditors payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Debtors receivable and creditors payable over one year
Debtors and creditors are stated at value due as an appropriate interest/discount rate is effectively applied.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Allocation and apportionment of costs
Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites and in performance of the health activities. Charitable activities are split into recreation, leisure site and health activities costs, which are those costs incurred directly in the running of each of the sites and health activities, and support costs which are those costs incurred directly in support of expenditure on the objects of the Charitable Company.

3. ACCOUNTING POLICIES – continued

Financial Instruments
The charitable company and subsidiary enter into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors
Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets
Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors
Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation
The Charitable Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Pension costs and other post-retirement benefits
In respect of those defined benefit pension schemes where the local authority has indemnified the Charitable company against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of a contract, the amount charged to the statement of financial activities represents the contribution payable to the scheme in the accounting period without any actuarial adjustment.

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

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 to be relevant. Actual results may differ from the estimates.

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

3. ACCOUNTING POLICIES – continued

Critical accounting judgements and key sources of estimation uncertainty – continued
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in 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 deferred income relating to memberships and bookings for the following year.

4. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the Group Statement of Financial Activities include those of the Charitable Company's wholly owned subsidiary South Downs Leisure Enterprises Limited.

A summary of the financial activities undertaken by the Charitable Company is set out below:

			31.3.21	31.3.20
			£	£
Gross incoming resources	-	Operation of leisure centres	915,429	5,951,772
	-	Grants (note 6)	701,619	-
	-	Donations (note 5)	1,324,623	50,889
	-	Other income (note 8)	1,608,634	-
			4,550,305	6,002,661
Total expenditure on charitable activities			(3,993,990)	(6,110,830)
Loan interest from subsidiary			5,419	7,081
Net incoming / (outgoing) resources			561,734	(101,088)

5. DONATION INCOME

	31.3.21	31.3.20
	£	£
Donation income	1,324,623	50,889

The Group received £1,324,623 (2020: £50,889) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS).

Income from donations was £1,324,623 (£50,889) of which £1,324,623 (2020: £Nil) was attributable to restricted funds.

6. INCOME FROM CHARITABLE ACTIVITIES

			31.3.21	31.3.20
			£	£
Gross incoming resources	-	Operation of leisure centres	915,429	5,951,772
	-	Grants	701,619	-
Net incoming / (outgoing) resources			1,617,048	5,951,772

Income from charitable activities was £1,617,048 (2020: £5,951,772) of which £4,283 (2020: £21,375) was attributable to restricted funds and £1,612,765 (2020: £5,930,397) was attributable to unrestricted funds.

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

6. INCOME FROM CHARITABLE ACTIVITIES - continued

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

	31.3.21	31.3.20
	£	£
Local Restrictions Support Grant (LRSG)	17,285	-
Business Rate Grant	89,427	-
Coronavirus Business Interruption Loan Scheme (CBILS) Interest grant	27,000	-
Other Local Authority grants	567,907	-
Net incoming / (outgoing) resources	701,619	-

7. INCOMING / (OUTGOING) RESOURCES FROM COMMERCIAL TRADING OPERATIONS

A summary of the trading results of the wholly owned subsidiary South Downs Leisure Enterprises Limited is shown below:

	31.3.21	31.3.20
	£	£
Turnover	321,172	565,064
Cost of sales and administration costs	(197,702)	(548,685)
Interest on inter-group loan	(5,419)	(7,081)
Net profit	118,051	9,298

Included within turnover is £54,983 (2020: £Nil) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS), £191,366 (2020: £Nil) of business interruption insurance claim based on the loss of earnings for the year ended 31 March 2021 and £2,400 (2020: £Nil) for the Coronavirus Business Interruption Loan Scheme (CBILS) interest covered by the Government for the first year.

8. OTHER INCOME

	31.3.21	31.3.20
	£	£
Business Interruption insurance claim	1,608,634	-
	1,608,634	-

Other income relates to a business interruption insurance claim based on the loss of earnings for the year ended 31 March 2021 (2020: £Nil).

Other income was £1,608,634 (2020: £Nil) of which £1,608,634 (2020: £Nil) was attributable to unrestricted funds.

9. NET INCOME/EXPENDITURE OF THE PARENT CHARITABLE COMPANY

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent Charitable Company is not presented as part of these financial statements. The parent Charitable Company's net incoming resources was £561,734 (2020: £101,088 net outgoing).

10. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES COSTS

	Direct Costs	Direct Staff Costs	Support Costs (see note 11)	31.3.21 Total Charitable Activities	31.3.20 Total Charitable Activities
	£	£	£	£	£
Leisure, recreation and health activities	1,301,008	2,388,685	304,297	3,993,990	6,110,830

£1,327,602 (2020: £35,205) of the above costs were attributable to restricted funds and £2,666,388 (2020: £6,075,625) of the above costs were attributable to unrestricted funds.

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

11. SUPPORT COSTS

Support costs, included in the above, are as follows:

	31.3.21 Operation of leisure, recreation sites and health activities	31.3.20 Operation of leisure, recreation sites and health activities
	£	£
External support services	113,253	105,969
Premises expenses	-	22,355
Advertising & marketing	9,718	46,769
Office administration	59,039	57,343
Consultancy	48,775	21,546
Training	498	28,949
Finance costs	36,710	36,756
Governance costs	24,618	24,974
Other support costs	11,686	15,161
	304,297	359,822

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and health services.

12. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/ (crediting):

	31.3.21	31.3.20
	£	£
Hire of equipment	69,563	76,113
Depreciation	93,639	142,565
Amortisation	23,091	18,009
Auditors' remuneration	20,777	22,159
Auditors' remuneration for non-audit work	3,400	3,400

13. TRUSTEES' REMUNERATION AND BENEFITS

Staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff and not in respect of their services as trustees. Other trustee did not receive any payments from the Trust in respect of their roles as trustees.

The value of trustees' remuneration was as follow:

P Spencer-Snell (Staff trustee):
Remuneration £15,000 - £20,000 (2020: £Nil)
Employer's pension contributions £0 - £5,000 (2020: £Nil)

C Hunter (Staff trustee):
Remuneration £Nil (2020: £30,000 - £35,000)
Employer's pension contributions £Nil (2020: £9,000 - £9,500)

Trustees' Expenses

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

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

14. STAFF COSTS

	31.3.21	31.3.20
	£	£
Company		
Wages and salaries	2,061,759	3,128,039
Social security costs	94,674	145,948
Defined benefit pension costs	187,493	309,434
Redundancy and severance payments	44,759	-
	2,388,685	3,583,421
Subsidiary		
Wages and salaries	79,456	144,319
Social security costs	4,854	10,044
Other pension costs	7,121	14,483
	91,431	168,846
	2,480,116	3,752,267

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

31.3.21	31.3.20
295	440

The total amount of employee benefits received by key management personnel was £302,196 (2020: £408,279). The Charitable Company considers its key management personnel to be the Chief Executive, Finance Director, Operations Director, HR Executive, Sales and Marketing Director and the staff trustees.

The number of employees whose emoluments fell within the following bands was:

	31.3.21	31.3.20
£60,001 - £70,000	1	2
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1
	2	3

The number of employees earning in excess of £60,000 (for the year) to whom retirement benefits are accruing:

31.3.21	31.3.20
2	3

15. TAXATION

The Charitable Company paid no corporation tax during the year. Provisions for £nil (2020: £nil) have been made at 31 March 2021 for corporation tax due in respect of the surplus from trading activities recorded in the year ended 31 March 2021. During the year ended 31 March 2021 all trading activities were conducted by the wholly owned subsidiary, South Downs Leisure Enterprises Limited.

South Downs Leisure Enterprises Limited has provisions included of £26,582 (2020: £31,809) in respect of deferred taxation and a corporation tax creditor of £32,918 (2020: £4,312) in respect of corporation tax payable on profits relating to trading income. The analysis of the tax charge on the profit for the year was as follows:

	31.3.21	31.3.20
	£	£
Current tax:		
UK corporation tax	32,918	4,312
Deferred taxation movement	(5,227)	(2,131)
Tax on trading profit	27,691	2,181

16. INTANGIBLE FIXED ASSETS

Group and company

	Computer software £
COST	
At 1 April 2020	112,984
Additions	-
Disposals	-
At 31 March 2021	112,984
AMORTISATION	
At 1 April 2020	35,228
Charge for year	23,090
Eliminated on disposal	-
At 31 March 2021	58,318
NET BOOK VALUE	
At 31 March 2021	54,666
At 31 March 2020	77,756

17. TANGIBLE FIXED ASSETS

Group

	Exercise Equipment £	Fixtures and fittings £	IT, audio and visual equipment £	Totals £
COST				
At 1 April 2020	333,365	441,124	105,423	879,912
Additions	14,320	-	5,480	19,800
Disposals	-	-	-	-
Reclassification	(3,600)	-	3,600	-
At 31 March 2021	344,085	441,124	114,503	899,712
DEPRECIATION				
At 1 April 2020	260,242	180,189	102,060	542,491
Charge for year	30,196	61,672	1,771	93,639
Eliminated on disposal	-	-	-	-
Reclassification	(3,600)	-	3,600	-
At 31 March 2021	286,838	241,861	107,431	636,130
NET BOOK VALUE				
At 31 March 2021	57,247	199,263	7,072	263,582
At 31 March 2020	73,123	260,935	3,363	337,421

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

17. TANGIBLE FIXED ASSETS - continued

Company

	Exercise Equipment	Fixtures and fittings	IT, audio and visual equipment	Totals
	£	£	£	£
COST				
At 1 April 2020	333,365	216,462	105,423	655,250
Additions	14,320	-	5,480	19,800
Disposals	-	-	-	-
Reclassification	(3,600)	-	3,600	-
At 31 March 2021	344,085	216,462	114,503	675,050
DEPRECIATION				
At 1 April 2020	260,242	122,942	102,060	485,244
Charge for year	30,196	34,161	1,771	66,128
Eliminated on disposal	-	-	-	-
Reclassification	(3,600)	-	3,600	-
At 31 March 2021	286,838	157,103	107,431	551,372
NET BOOK VALUE				
At 31 March 2021	57,247	59,359	7,072	123,678
At 31 March 2020	73,123	93,520	3,363	170,006

18. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings
	£
MARKET VALUE	
At 1 April 2020 and 31 March 2021	1
NET BOOK VALUE	
At 31 March 2020 and 31 March 2021	1

There were no investment assets outside the UK.

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

South Downs Leisure Enterprises Limited (company number 09261501)
Nature of business: Operation of an events venue

Class of share:	% holding
Ordinary	100

	31.3.21	31.3.20
	£	£
Aggregate capital and reserves	235,056	117,005
Profit for the year	118,051	9,298

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

19. STOCKS

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Stocks	33,819	8,409	33,819	8,409

Stock amounts recognised within expenditure for the current period are £36,864 (2020: £291,315).

20. DEBTORS

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Trade debtors	265,948	124,573	254,624	100,293
Other debtors	2,653	65,849	2,653	64,640
Loan to associate under 1 year	-	-	31,600	31,600
Prepayments and accrued income	819,159	111,373	816,604	98,976
Amounts owed by group undertakings	-	-	-	155,548
	1,087,760	301,795	1,105,481	451,057
Loan to associate over 1 year	-	-	31,600	63,200
Aggregate amounts	1,087,760	301,795	1,137,081	514,257

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Trade creditors	89,826	236,550	89,182	233,194
Taxation	32,918	4,312	-	-
Social security and other tax	77,866	124,266	75,431	109,951
Other creditors	78,700	1,702	78,700	1,702
Accrued expenses	116,763	87,803	107,582	68,819
Deferred income	309,770	184,518	224,287	88,519
Amounts due to group undertakings	-	-	155,160	-
Bank loans	87,500		87,500	
	793,343	639,151	817,842	502,185

Deferred Income

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Deferred income at 1 April 2020/19	184,518	181,825	88,519	96,971
Deferred during the period	309,770	184,518	224,287	88,519
Amounts released to income from prior periods	(184,518)	(181,825)	(88,519)	(96,971)
Deferred income at 31 March 2021/20	309,770	184,518	224,287	88,519

Deferred income at 31 March 2021 for the Charitable Company represents annual leisure membership income, where the consideration has been received in the year ended 31 March 2021 but the services were only provided following the year end. The Group deferred income also includes venue hire income under the same principles.

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

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

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Bank loans (see note 23)	762,500	-	662,500	-
	762,500	-	662,500	-

23. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Amounts falling due within one year on demand:				
Bank loans	87,500	-	87,500	-
	87,500	-	87,500	-
Amounts falling due between one and two years:				
Bank loans	170,000	-	150,000	-
	170,000	-	150,000	-
Amounts falling due between two and five years:				
Bank loans	340,000	-	300,000	-
	340,000	-	300,000	-
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	252,500	-	212,500	-
	252,500	-	212,500	-

The bank loans consist of an unsecured bank loan of £750,000 and a secured bank loan of £100,000.

The unsecured bank loan of £750,000 is over a term of 6 years with an interest rate of 3.5% above the Bank of England base rate. Monthly repayments will begin 1 year after the drawdown of the loan (September 2021) over 60 months.

The secured bank loan of £100,000 is over a term of 6 years with an interest rate of 2.3% above the Bank of England base rate. Monthly repayments will begin 1 year after the drawdown of the loan (April 2022) over 60 months. The bank loan is secured on the assets of South Downs Leisure Enterprises Limited by way of fixed and floating charges.

24. OPERATING LEASE COMMITMENTS

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	31.3.21	31.3.20
Due < 1 year	44,483	67,062
Due 1-2 years	-	44,483
Due 2-5 years	-	-
	44,483	111,545

Operating lease amounts recognised within expenditure for the current period are £69,563 (2020: £76,113).

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

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted funds	Restricted funds	31.3.21 Total funds	31.3.20 Total funds
	£	£	£	£
Fixed Assets	318,248	-	318,248	415,177
Current Assets	2,833,419	34,615	2,868,034	1,179,855
Current Liabilities	(793,343)	-	(793,343)	(639,151)
Long Term Liabilities	(789,082)	-	(789,082)	(31,809)
	1,569,242	34,615	1,603,857	924,072

Company	Unrestricted funds	Restricted funds	31.3.21 Total funds	31.3.20 Total funds
	£	£	£	£
Fixed Assets	178,344	-	178,344	247,762
Investment	1	-	1	1
Current Assets	2,636,183	34,615	2,670,798	1,061,489
Current Liabilities	(817,842)	-	(817,842)	(502,185)
Long Term Liabilities	(662,500)	-	(662,500)	-
	1,334,186	34,615	1,368,801	807,067

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	Unrestricted funds	Restricted funds	31.3.20 Total funds	31.3.19 Total funds
	£	£	£	£
Fixed Assets	415,177	-	415,177	390,806
Current Assets	1,146,544	33,311	1,179,855	1,324,927
Current Liabilities	(639,151)	-	(639,151)	(665,931)
Long Term Liabilities	(31,809)	-	(31,809)	(33,940)
	890,761	33,311	924,072	1,015,862

Company	Unrestricted funds	Restricted funds	31.3.20 Total funds	31.3.19 Total funds
	£	£	£	£
Fixed Assets	247,762	-	247,762	212,176
Investment	1	-	1	1
Current Assets	1,028,178	33,311	1,061,489	1,228,134
Current Liabilities	(502,185)	-	(502,185)	(532,156)
Long Term Liabilities	-	-	-	-
	773,756	33,311	807,067	908,155

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

26. MOVEMENT IN FUNDS

Group	At 1.4.20	Net movement in funds	At 31.3.21
Unrestricted funds			
General	117,005	118,051	235,056
Designated	773,756	560,430	1,334,186
	890,761	678,481	1,569,242
Restricted funds			
Short Breaks Buddy PT	6,311	(153)	6,158
Walking Football	759	-	759
Disability Fun Day	5,770	(68)	5,702
Awards for all	9,950	-	9,950
Green Dreams	1,417	1,190	2,607
Winter Pressures Chair Based Pilates	3,922	382	4,304
Aiming High Trampoline Equipment	1,575	(47)	1,528
Safe in Sussex Community Grant	2,500	-	2,500
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
	33,311	1,304	34,615
TOTAL FUNDS	924,072	679,785	1,603,857

Company	At 1.4.20	Net movement in funds	At 31.3.21
Unrestricted funds			
Designated	773,756	560,430	1,334,186
	773,756	560,430	1,334,186
Restricted funds			
Short Breaks Buddy PT	6,311	(153)	6,158
Walking Football	759	-	759
Disability Fun Day	5,770	(68)	5,702
Awards for all	9,950	-	9,950
Green Dreams	1,417	1190	2,607
Winter Pressures Chair Based Pilates	3,922	382	4,304
Aiming High Trampoline Equipment	1,575	(47)	1,528
Safe in Sussex Community Grant	2,500	-	2,500
Dementia Friendly Pottery	440	-	440
Disability Disco	667	-	667
	33,311	1,304	34,615
TOTAL FUNDS	807,067	561,734	1,368,801

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

26. MOVEMENT IN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

Group	At 1.4.19	Net movement in funds	At 31.3.20
Unrestricted funds			
General	107,707	9,298	117,005
Designated	861,014	(87,258)	773,756
	968,721	(77,960)	890,761
Restricted funds			
Short Breaks Buddy PT	8,720	(2,409)	6,311
Walking Football	8,587	(7,828)	759
Disability Fun Day	15,892	(10,122)	5,770
Football Mash up grant	800	(800)	-
Leisure Futures	3,000	(3,000)	-
Awards for all	9,950	-	9,950
Green Dreams	192	1,225	1,417
Winter Pressures Chair Based Pilates	-	3,922	3,922
Aiming High Trampoline Equipment	-	1,575	1,575
Safe in Sussex Community Grant	-	2,500	2,500
Dementia Friendly Pottery	-	440	440
Disability Disco	-	667	667
	47,141	(13,830)	33,311
TOTAL FUNDS	1,015,862	(91,790)	924,072

Company	At 1.4.19	Net movement in funds	At 31.3.20
Unrestricted funds			
Designated	861,014	(87,258)	773,756
	861,014	(87,258)	773,756
Restricted funds			
Short Breaks Buddy PT	8,720	(2,409)	6,311
Walking Football	8,587	(7,828)	759
Disability Fun Day	15,892	(10,122)	5,770
Football Mash up grant	800	(800)	-
Leisure Futures	3,000	(3,000)	-
Awards for all	9,950	-	9,950
Green Dreams	192	1,225	1,417
Winter Pressures Chair Based Pilates	-	3,922	3,922
Aiming High Trampoline Equipment	-	1,575	1,575
Safe in Sussex Community Grant	-	2,500	2,500
Dementia Friendly Pottery	-	440	440
Disability Disco	-	667	667
	47,141	(13,830)	33,311
TOTAL FUNDS	908,155	(101,088)	807,067

26. MOVEMENT IN FUNDS – continued

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	266,189	(142,719)	(5,419)	118,051
Designated	3,221,399	(2,666,388)	5,419	560,430
	3,487,588	(2,809,107)	-	678,481
Restricted funds				
Short Breaks Buddy PT	-	(153)	-	(153)
Disability Fun Day	1,212	(1,280)	-	(68)
Green Dreams	2,688	(1,499)	-	1,189
Winter Pressures Chair Based Pilates	383	-	-	383
Aiming High Trampoline Equipment	-	(47)	-	(47)
HMRC Job Retention Scheme Grant	1,379,606	(1,379,606)	-	-
	1,383,889	(1,382,585)	-	1,304
TOTAL FUNDS	4,871,477	(4,191,692)	-	679,785

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	3,226,818	(2,666,388)	-	560,430
	3,226,818	(2,666,388)	-	560,430
Restricted funds				
Short Breaks Buddy PT	-	(153)	-	(153)
Disability Fun Day	1,212	(1,280)	-	(68)
Green Dreams	2,688	(1,499)	-	1,189
Winter Pressures Chair Based Pilates	383	-	-	383
Aiming High Trampoline Equipment	-	(47)	-	(47)
HMRC Job Retention Scheme Grant	1,324,623	(1,324,623)	-	-
	1,328,906	(1,327,602)	-	1,304
TOTAL FUNDS	4,555,724	(3,993,990)	-	561,734

26. MOVEMENT IN FUNDS – continued

Comparative information in respect of the preceding period is as follows

Group	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
General	565,064	(548,685)	(7,081)	9,298
Designated	5,981,286	(6,075,625)	7,081	(87,258)
	6,546,350	(6,624,310)	-	(77,960)
Restricted funds				
Short Breaks Buddy PT	3,960	(6,369)	-	(2,409)
Walking Football	7	(7,835)	-	(7,828)
Disability Fun Day	-	(10,122)	-	(10,122)
Football Mash up grant	-	(800)	-	(800)
Leisure Futures	-	(3,000)	-	(3,000)
Awards for all	-	-	-	-
Green Dreams	2,500	(1,275)	-	1,225
Winter Pressures Chair Based Pilates	5,000	(1,078)	-	3,922
Aiming High Trampoline Equipment	1,575	-	-	1,575
Safe in Sussex Community Grant	2,500	-	-	2,500
Dementia Friendly Pottery	440	-	-	440
Disability Disco	5,393	(4,726)	-	667
	21,375	(35,205)	-	(13,830)
TOTAL FUNDS	6,567,725	(6,659,515)	-	(91,790)

Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	5,988,367	(6,075,625)	-	(87,258)
	5,988,367	(6,075,625)	-	(87,258)
Restricted funds				
Short Breaks Buddy PT	3,960	(6,369)	-	(2,409)
Walking Football	7	(7,835)	-	(7,828)
Disability Fun Day	-	(10,122)	-	(10,122)
Football Mash up grant	-	(800)	-	(800)
Leisure Futures	-	(3,000)	-	(3,000)
Awards for all	-	-	-	-
Green Dreams	2,500	(1,275)	-	1,225
Winter Pressures Chair Based Pilates	5,000	(1,078)	-	3,922
Aiming High Trampoline Equipment	1,575	-	-	1,575
Safe in Sussex Community Grant	2,500	-	-	2,500
Dementia Friendly Pottery	440	-	-	440
Disability Disco	5,393	(4,726)	-	667
	21,375	(35,205)	-	(13,830)
TOTAL FUNDS	6,009,742	(6,110,830)	-	(101,088)

Big Lottery Over 50s Grant
Funding from the Big Lottery to encourage the community's over 50s to get together and get active.

26. MOVEMENT IN FUNDS – continued

Sportivate Rugby
A Big Lottery funded project to encourage more young people to take part in rugby.

Short Breaks Buddy PT
Discounted PT sessions and gym access for children with disabilities aged 14-18 years.

Walking Football
A lower impact, slower version of the game aimed at those over 50.

Exercise Referrals
A programme of GP referrals funded by Adur District Council.

Disability Holiday Programme
A programme of fun, sporting holiday activities for children with disabilities.

Sensory Room
A Big Lottery funded project to create a soft play area for children on the autism spectrum with staff receiving specialist autism training.

Bruce Wakefield Trust – Gym Accessibility
Funding to look into gym access for the disabled and update to ensure accessibility.

Sussex FA Disability Sessions
A funded project to encourage disabled people to take part in football.

Leisure Futures
A funded project to look into the building of a new leisure centre to replace Worthing Leisure Centre.

Winter Pressures Chair Based Pilates
The overarching aim of the programme is to improve health outcomes and reduce the demand for services by reducing the risk of falls in older people.

Aiming High Trampoline Equipment
Funding for equipment to support children and young people with disabilities and mobility issues to take part in trampolining session.

Safe in Sussex Community Grant
The grant is aimed at providing local organisations financial support to reduce crime and improve safety in their local areas using various initiatives.

Dementia Friendly Pottery
Funding for the provision of regular 'relaxed' pottery sessions for people with Dementia and Alzheimer's.

Disability Disco
A funded project to host 'Silent Discos' for young people with learning difficulties and physical disabilities.

Transfers between funds
The transfers in the year represent a reallocation between unrestricted funds and designated funds due to the interest charged on the subsidiary's loan to the Charitable Company.

HMRC Job Retention Scheme Grant
HMRC Job Retention Scheme Grant to support businesses through the COVID-19 pandemic by covering a portion of employees' wages who were furloughed due to the coronavirus pandemic

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

27. CAPITAL COMMITMENTS

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Contracted for but not provided for in the financial statements	-	-	-	-

28. LEGAL STATUS

The Charity is a Company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

29. RELATED PARTY TRANSACTIONS

During the year South Downs Leisure engaged in services from Inspace Fitness Limited, a company in which Phillip Griffin, a trustee, is a director. £4,200 (2020: £Nil) was paid for the removal and relocation of gym equipment. As at 31 March 2021, South Downs Leisure owed £Nil (2020: £Nil) to Inspace Fitness Limited.

South Downs Leisure Enterprises Limited
During 2018 a loan of £158,000 was made to South Downs Leisure Enterprises Limited, a company fully owned by South Downs Leisure, at a commercial rate of 6% per annum. During the year £31,600 was repaid (2020: £31,600) which incurred interest of £5,419 (2020: £7,081). At 31 March 2021 £63,200 (2020: £94,800) was outstanding and is included in creditors in the Charitable Company.

During the year costs were recharged to South Downs Leisure Enterprises for wages, rent, management charges and VAT, as at 31 March 2021 South Downs Leisure Enterprises was owed £155,160 from the parent (2020: £155,548 owed to the parent).

30. POST BALANCE SHEET EVENTS

The worldwide outbreak of COVID-19 resulted in the UK Government requiring the British public to enter a number of national and regional lockdowns during the year. Following the year end the government have now permitted leisure centres, gyms and indoor pools to reopen on 12 April 2021. The number of people able to attend weddings, receptions and commemorative events rose to 15.

From 17 May 2021 further restrictions were lifted to allow indoor adult group sports and exercise classes. It has also allowed the number of people to attend weddings, receptions and commemorative events to rise to 30.

Finally, on 19 July 2021 all remaining restrictions that had been in place through the pandemic were lifted.

The continued existence of COVID-19 in our society, which may have an impact on the behaviours of the group's customers is as of yet unknown.