

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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FOR THE YEAR ENDED 31 MARCH 2022

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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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

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.

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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	

SOUTH DOWNS LEISURE
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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 Governance

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.

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REPORT OF THE TRUSTEES
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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.

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REPORT OF THE TRUSTEES
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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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

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%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

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.

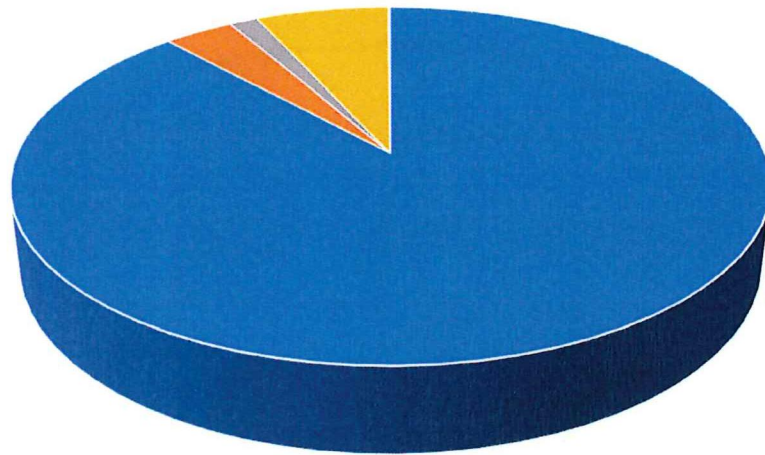
We have invested heavily in environmental savings across all sites; working hard to understand our energy usage and drive this down. This has been in the form of LED lighting, PIR sensors, reduced the times high energy facilities and equipment are running. Staff teams have really taken this on across 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

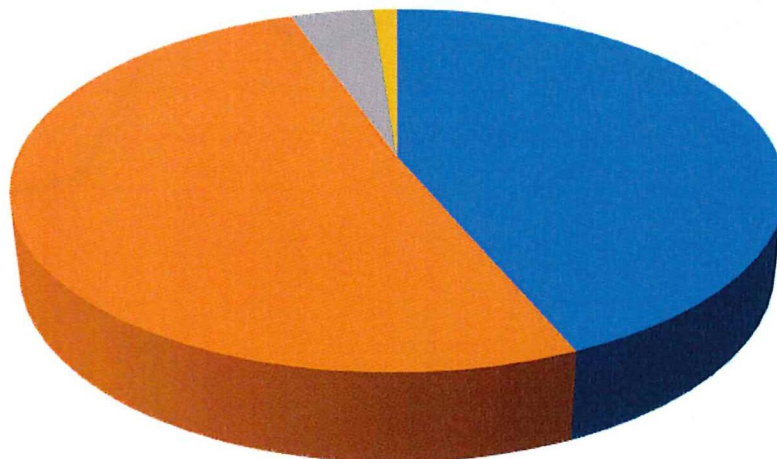
The following charts show which sites produced our income and how that money was spent.

Where our income came from in 2021-2022



■ Leisure Activities ■ Insurance ■ CJRS ■ Grants ■ Other

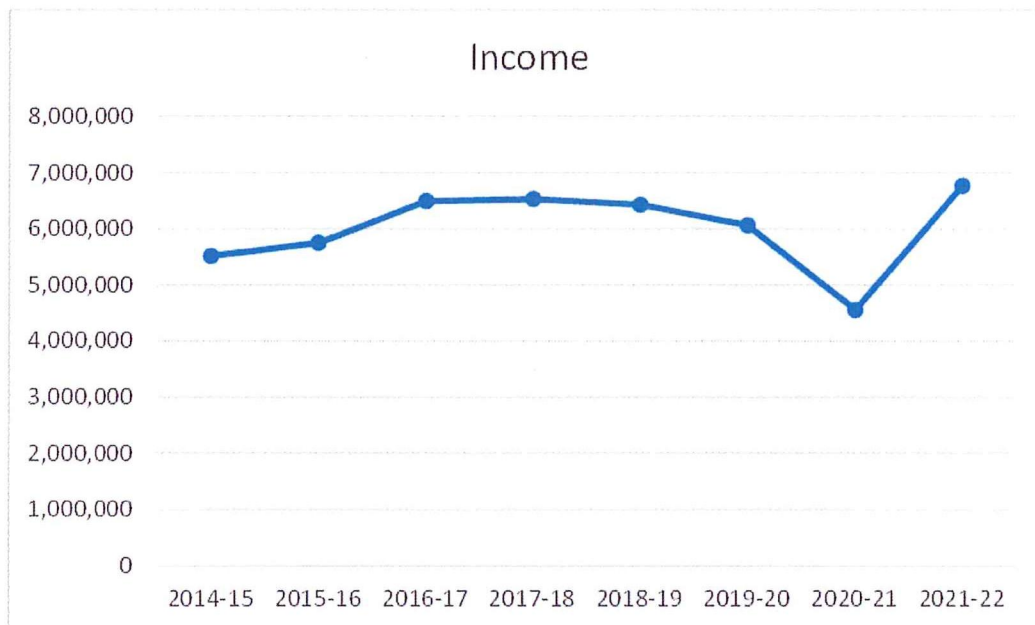
What the money was spent on in 2021-2022



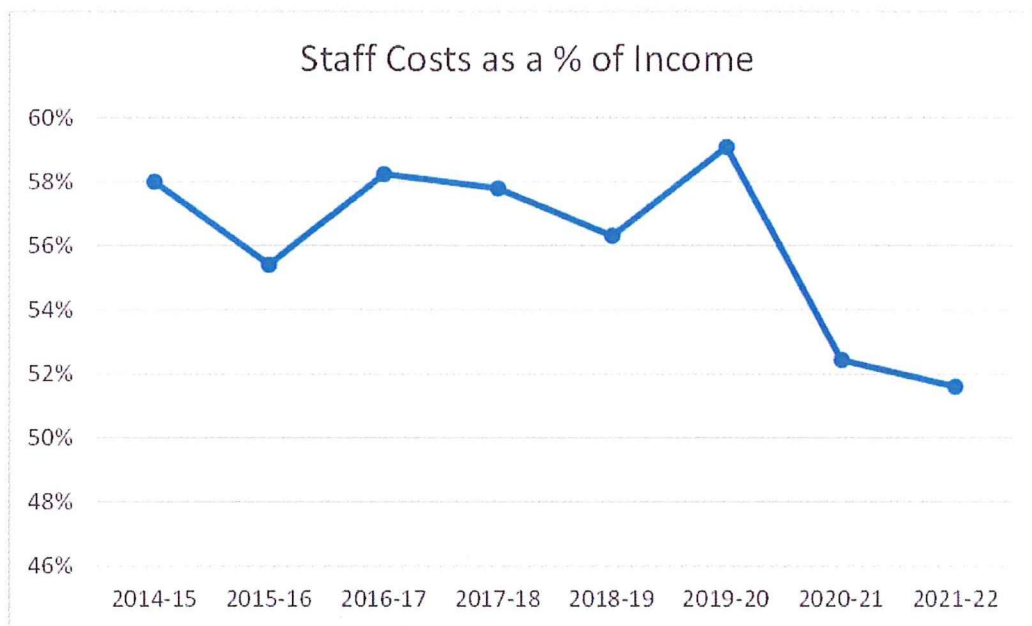
■ Cost of Sales ■ Employee Costs ■ Support Costs ■ Depreciation

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 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. 2018-21 figures include Head Office costs.

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REPORT OF THE TRUSTEES
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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.

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REPORT OF THE TRUSTEES
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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 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.

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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.

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

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:

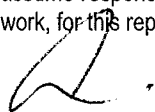
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

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
<i>Income from charitable activities:</i>					
Operation of leisure, recreation sites and health activities	6	6,297,019	28,715	6,325,734	1,617,048
<i>Income from other trading activities:</i>					
Commercial trading operations	7	528,606	4,887	533,493	321,172
Other income	8	241,187	-	241,187	1,608,634
TOTAL INCOME		<u>7,066,812</u>	<u>134,206</u>	<u>7,201,018</u>	<u>4,871,477</u>
EXPENDITURE					
<i>Costs of raising funds:</i>					
Commercial trading operations	7	481,886	4,887	486,773	197,702
<i>Expenditure on charitable activities:</i>					
Operation of leisure, recreation sites and health activities	10	6,603,400	121,264	6,724,664	3,993,990
TOTAL EXPENDITURE		<u>7,085,286</u>	<u>126,151</u>	<u>7,211,437</u>	<u>4,191,692</u>
NET (EXPENDITURE) / INCOME BEFORE TAXATION AND TRANSFERS		(18,474)	8,055	(10,419)	679,785
GROSS TRANSFERS BETWEEN FUNDS		-	-	-	-
NET MOVEMENT IN FUNDS		<u>(18,474)</u>	<u>8,055</u>	<u>(10,419)</u>	<u>679,785</u>
RECONCILIATION OF FUNDS:	26				
FUNDS BROUGHT FORWARD		<u>1,569,242</u>	<u>34,615</u>	<u>1,603,857</u>	<u>924,072</u>
FUNDS CARRIED FORWARD		<u>1,550,768</u>	<u>42,670</u>	<u>1,593,438</u>	<u>1,603,857</u>

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		-		-
			<u>526,701</u>		<u>318,248</u>
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	
		<u>2,101,330</u>		<u>2,868,034</u>	
CREDITORS					
Amounts falling due within one year	21	<u>(1,012,728)</u>		<u>(793,343)</u>	
NET CURRENT ASSETS			<u>1,088,602</u>		<u>2,074,691</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,615,303</u>		<u>2,392,939</u>
CREDITORS					
Amounts falling due after one year	22	<u>-</u>		<u>(762,500)</u>	
			-		(762,500)
PROVISIONS FOR LIABILITIES	24		(21,865)		(26,582)
NET ASSETS			<u>1,593,438</u>		<u>1,603,857</u>
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		<u>1,593,438</u>		<u>1,603,857</u>

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

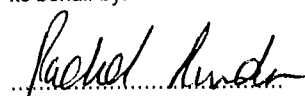
SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

COMPANY BALANCE SHEET
AT 31 MARCH 2022

		31.3.22 Total Funds £	31.3.22 Total Funds £	31.3.21 Total Funds £	31.3.21 Total Funds £
	Notes				
FIXED ASSETS					
Intangible assets	16		37,630		54,666
Tangible assets	17		373,993		123,678
Investments	18		1		1
			<u>411,624</u>		<u>178,345</u>
CURRENT ASSETS					
Stocks	19	86,316		33,819	
Debtors:	20	733,506		1,137,081	
Cash at bank and in hand		<u>1,043,829</u>		<u>1,499,898</u>	
		<u>1,863,651</u>		<u>2,670,798</u>	
CREDITORS					
Amounts falling due within one year	21	<u>(916,893)</u>		<u>(817,842)</u>	
NET CURRENT ASSETS			<u>946,758</u>		<u>1,852,956</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,358,382</u>		<u>2,031,301</u>
CREDITORS					
Amounts falling due within one year	22	<u>-</u>		<u>(662,500)</u>	
					<u>(662,500)</u>
NET ASSETS			<u><u>1,358,382</u></u>		<u><u>1,368,801</u></u>
FUNDS					
Unrestricted designated funds			1,315,712		1,334,186
Restricted funds			<u>42,670</u>		<u>34,615</u>
TOTAL FUNDS	26		<u><u>1,358,382</u></u>		<u><u>1,368,801</u></u>

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)

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
	<u>1,746,455</u>	<u>(489,793)</u>	<u>1,256,662</u>
Debt			
Debts falling due within 1 year	(87,500)	87,500	-
Debts falling due after 1 year	<u>(762,500)</u>	<u>762,500</u>	<u>-</u>
	<u>(850,000)</u>	<u>850,000</u>	<u>-</u>
Total	<u>896,455</u>	<u>360,207</u>	<u>1,256,662</u>
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
	<u>1,499,898</u>	<u>(456,067)</u>	<u>1,043,831</u>
Debt			
Debts falling due within 1 year	(87,500)	87,500	-
Debts falling due after 1 year	<u>(662,500)</u>	<u>662,500</u>	<u>-</u>
	<u>(750,000)</u>	<u>750,000</u>	<u>-</u>
Total	<u>749,898</u>	<u>293,933</u>	<u>1,043,831</u>

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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.

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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
		<u>6,708,680</u>	<u>4,550,305</u>
Total expenditure on charitable activities		(6,724,664)	(3,993,990)
Loan interest from subsidiary		<u>5,565</u>	<u>5,419</u>
Net incoming / (outgoing) resources		<u>(10,419)</u>	<u>561,734</u>

5. DONATION INCOME

	31.3.22 £	31.3.21 £
Donation income	<u>100,604</u>	<u>1,324,623</u>
	<u>100,604</u>	<u>1,324,623</u>

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.

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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	5,965,166	915,429
- Operation of leisure centres		
- Grants	360,568	701,619
Net incoming / (outgoing) resources	<u>6,325,734</u>	<u>1,617,048</u>

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 (LRSB)	-	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	<u>360,568</u>	<u>701,619</u>

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	<u>(5,565)</u>	<u>(5,419)</u>
Net profit	<u>-</u>	<u>118,051</u>

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	<u>241,187</u>	<u>1,608,634</u>
	<u>241,187</u>	<u>1,608,634</u>

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).

SOUTH DOWNS LEISURE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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	<u>3,047,925</u>	<u>3,391,800</u>	<u>284,939</u>	<u>6,724,664</u>	<u>3,993,990</u>

£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	<u>8,921</u>	<u>11,686</u>
	<u>284,939</u>	<u>304,297</u>

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	<u>3,675</u>	<u>3,400</u>

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
	<u>3,391,800</u>	<u>2,388,685</u>
Subsidiary		
Wages and salaries	79,471	79,456
Social security costs	5,570	4,854
Other pension costs	5,063	7,121
	<u>90,104</u>	<u>91,431</u>
	<u>3,481,904</u>	<u>2,480,116</u>

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
<u>318</u>	<u>295</u>

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	-
	<u>3</u>	<u>2</u>

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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
<u>3</u>	<u>2</u>

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	<u>(4,717)</u>	<u>(5,227)</u>
Tax on trading profit	<u>(4,717)</u>	<u>27,691</u>

16. INTANGIBLE FIXED ASSETS

Group and company

	Computer software £
COST	
At 1 April 2021	112,984
Additions	-
Disposals	<u>-</u>
At 31 March 2022	<u>112,984</u>
AMORTISATION	
At 1 April 2021	58,318
Charge for year	17,036
Eliminated on disposal	<u>-</u>
At 31 March 2022	<u>75,354</u>
NET BOOK VALUE	
At 31 March 2022	<u>37,630</u>
At 31 March 2021	<u>54,666</u>

SOUTH DOWNS LEISURE
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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	<u>625,201</u>	<u>487,524</u>	<u>114,503</u>	<u>1,227,228</u>
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	<u>330,749</u>	<u>296,769</u>	<u>110,639</u>	<u>738,157</u>
NET BOOK VALUE				
At 31 March 2022	<u>294,452</u>	<u>190,755</u>	<u>3,864</u>	<u>489,071</u>
At 31 March 2021	<u>57,247</u>	<u>199,263</u>	<u>7,072</u>	<u>263,582</u>

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	<u>625,201</u>	<u>262,861</u>	<u>114,503</u>	<u>1,002,565</u>
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	<u>330,749</u>	<u>187,184</u>	<u>110,639</u>	<u>628,572</u>
NET BOOK VALUE				
At 31 March 2022	<u>294,452</u>	<u>75,677</u>	<u>3,864</u>	<u>373,993</u>
At 31 March 2021	<u>57,247</u>	<u>59,359</u>	<u>7,072</u>	<u>123,678</u>

SOUTH DOWNS LEISURE
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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	<u>86,316</u>	<u>33,819</u>	<u>86,316</u>	<u>33,819</u>

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	-	-	-	-
	<u>758,352</u>	<u>1,087,760</u>	<u>733,506</u>	<u>1,105,481</u>
Loan to associate over 1 year	-	-	-	31,600
Aggregate amounts	<u>758,352</u>	<u>1,087,760</u>	<u>733,506</u>	<u>1,137,081</u>

SOUTH DOWNS LEISURE
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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
	<u>1,012,728</u>	<u>793,343</u>	<u>916,893</u>	<u>817,842</u>

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	<u>(309,770)</u>	<u>(184,518)</u>	<u>(224,287)</u>	<u>(88,519)</u>
Deferred income at 31 March 2022/21	<u>220,178</u>	<u>309,770</u>	<u>96,100</u>	<u>224,287</u>

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

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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	-	-

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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	-
	<u>21,256</u>	<u>44,483</u>

Operating lease amounts recognised within expenditure for the current period are £44,900 (2021: £69,563).

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group			31.3.22	31.3.21
	Unrestricted funds	Restricted funds	Total funds	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)
	<u>1,550,768</u>	<u>42,670</u>	<u>1,593,438</u>	<u>1,603,857</u>

Company			31.3.22	31.3.21
	Unrestricted funds	Restricted funds	Total funds	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)
	<u>1,315,712</u>	<u>42,670</u>	<u>1,358,382</u>	<u>1,368,801</u>

SOUTH DOWNS LEISURE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

Group			31.3.21	31.3.20
	Unrestricted funds	Restricted funds	Total funds	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)
	<u>1,569,242</u>	<u>34,615</u>	<u>1,603,857</u>	<u>924,072</u>

Company			31.3.21	31.3.20
	Unrestricted funds	Restricted funds	Total funds	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)	-
	<u>1,334,186</u>	<u>34,615</u>	<u>1,368,801</u>	<u>807,067</u>

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>1,569,242</u>	<u>(18,474)</u>	<u>1,550,768</u>
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	-	-	-
	<u>34,615</u>	<u>8,055</u>	<u>42,670</u>
TOTAL FUNDS	<u>1,603,857</u>	<u>(10,419)</u>	<u>1,593,438</u>
Company	At 1.4.21	Net movement in funds	At 31.3.22
Unrestricted funds			
Designated	1,334,186	(18,474)	1,315,712
	<u>1,334,186</u>	<u>(18,474)</u>	<u>1,315,712</u>
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	-	-	-
	<u>34,615</u>	<u>8,055</u>	<u>42,670</u>
TOTAL FUNDS	<u>1,368,801</u>	<u>(10,419)</u>	<u>1,358,382</u>

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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	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	807,067	561,734	1,368,801

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

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)
	<u>7,066,812</u>	<u>(7,085,286)</u>	<u>-</u>	<u>(18,474)</u>
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)	-	-
	<u>134,206</u>	<u>(126,151)</u>	<u>-</u>	<u>8,055</u>
TOTAL FUNDS	<u>7,201,018</u>	<u>(7,211,437)</u>	<u>-</u>	<u>(10,419)</u>
Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	6,584,926	(6,603,400)	-	(18,474)
	<u>6,584,926</u>	<u>(6,603,400)</u>	<u>-</u>	<u>(18,474)</u>
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)	-	-
	<u>129,319</u>	<u>(121,264)</u>	<u>-</u>	<u>8,055</u>
TOTAL FUNDS	<u>6,714,245</u>	<u>(6,724,664)</u>	<u>-</u>	<u>(10,419)</u>

SOUTH DOWNS LEISURE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>3,487,588</u>	<u>(2,809,107)</u>	<u>-</u>	<u>678,481</u>
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)	-	-
	<u>1,383,889</u>	<u>(1,382,585)</u>	<u>-</u>	<u>1,304</u>
TOTAL FUNDS	<u>4,871,477</u>	<u>(4,191,692)</u>	<u>-</u>	<u>679,785</u>
Company	Income	Expenditure	Transfers	Net movement in funds
Unrestricted funds				
Designated	3,226,818	(2,666,388)	-	560,430
	<u>3,226,818</u>	<u>(2,666,388)</u>	<u>-</u>	<u>560,430</u>
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)	-	-
	<u>1,328,906</u>	<u>(1,327,602)</u>	<u>-</u>	<u>1,304</u>
TOTAL FUNDS	<u>4,555,724</u>	<u>(3,993,990)</u>	<u>-</u>	<u>561,734</u>

Short Breaks Buddy PT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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

WSSCC 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.

SOUTH DOWNS LEISURE
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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	<u>194,244</u>	<u>-</u>	<u>194,244</u>	<u>-</u>

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).