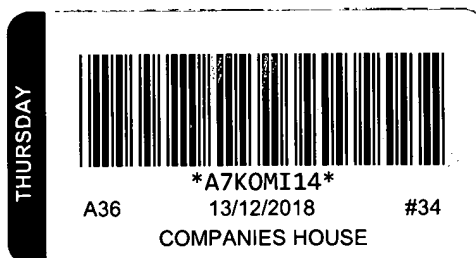


REGISTERED COMPANY NUMBER: 01092545 (England and Wales)
REGISTERED CHARITY NUMBER: 308189

Folkestone Sports Centre Trust Limited
Report of the Trustees and
Audited Financial Statements for the Year Ended 30 March 2018



FOLKESTONE SPORTS CENTRE TRUST LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2018

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The Trust continues to provide excellent sports and leisure facilities and evolving with the changing needs of the community remains at the forefront of decision making. During the past 12 months, the Trust has worked alongside other community and national agencies to ensure that health and well-being activities are provided, including supporting those with Mental Health issues and those recovering from Stroke.

The Trust continues to face the challenges of increased costs – suppliers, utilities, wages – and reduced grants, whilst striving to maintain a balance of 'social care provision' and financial viability. The Trust cannot expect professional, qualified staff to continue to accept a wage freeze, whilst those on minimum wage, continue to receive a wage increase. With regret, the decision to halt the Apprenticeship programme was taken, as financial support of the programme ceased at the end of the year. The Trustees remain grateful to the loyal contributions made by the existing staff.

The 'enabling projects' which are being sought at this time, remain in negotiations, with a planning application put forward for the first phase, in December 2017.

Work to reduce costs continues and to this end the Trust has a programme to replace current lighting to reduce costs and is mindful of obligations to the environment, – starting with the full replacement of the Sports Hall Lighting in December 2017.

Although the Trust is recording a deficit in the year, it is evident that an increase in income, despite a reduction in grants, and careful monitoring of costs to ensure further cost savings, has resulted in a better financial position than was forecasted at the beginning of the year.

Chairman – P F Gardner

Date: 27 November 2018

FOLKESTONE SPORTS CENTRE TRUST LIMITED
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, IT'S TRUSTEES AND
ADVISERS FOR THE YEAR ENDED 30 MARCH 2018

Page 2

Registered Company Number
01092545 (England and Wales)

Registered Charity Number
308189

Registered Office
Radnor Park Avenue
Folkestone
Kent
CT19 5HX

Trustees
PF Gardner (Chairman)
G Hibbert ACIOB
AFM Mackie
L Smith
DM Timmins
L Mayatt
R Stearn
A White

Centre Manager
T Stickler

Senior Statutory Auditor
David Muggridge FCCA
Ackland Webb Limited
49 Canterbury Innovation Centre
University Road
Canterbury
Kent
CT2 7FG

Solicitors
Frederic Hall
York House
32 Cheriton Road
Folkestone
Kent
CT20 2UR

Bankers
National Westminster Bank Plc
Europa House
49 Sandgate Road
Folkestone
Kent
CT20 1RU

The Trustees (who are also directors of the company for the purposes of Companies Act) present their Annual Report, which includes the directors report as required by the Companies Act, together with the financial statements of Folkestone Sports Centre Trust Limited for the year ended 30 March 2018. The Trustees confirm that the Annual Report financial statements of the company comply with the statutory requirements, the requirements of the company's governing document and 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 (FRS 102) (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Folkestone Sports Centre Trust Limited is a private company (1092545) registered under the Companies Act and a registered charity (308189) under the Charities Act. It is constituted through its Memorandum and Articles of Association, as amended, dated 25 January 1973.

Risk Management

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

OBJECTIVES AND ACTIVITIES

Objective and aims

The principal activity of the Charity is to promote, manage, provide or to assist in leisure activities for the instruction in sports, games, recreation or other leisure time activity within or in connection with the area of the Borough of Folkestone and its neighbourhood.

The Charity, through its Trustees, holds all the share capital of Folkestone Sports Centre Limited, a company originally incorporated to manage and operate a bar and restaurant within the Sports Centre in support of the activities of the Centre and the benefit and enjoyment of the users of the Centre.

The Memorandum of Association requires that all income and property of the Charity be applied towards the promotion and furtherance of the objectives of the Charity and that no portion thereof shall be paid to members by way of dividends or return of capital and no director or Trustee shall be appointed to a salaried office of the Charity and may only receive remuneration for services rendered to the Charity with the prior written consent of the Charity Commission.

Operations

The strategy consistently adopted by the Charity to meet its aims and objectives has been the investment in and the maintenance and operation of a sports centre occupying over 14 acres in the Borough of Folkestone. The centre is designed around the provision of swimming and learner pools, a fitness centre, squash courts and a sports hall indoors with tennis/football courts, skiing and footgolf being the main outdoor facilities.

The Borough of Folkestone and latterly its successor, Shepway District Council, have regularly assisted the Charity and indeed until 15 January 2005 held one half of the share capital and appointed one half of the authorised directorate. The local authority has regularly provided, and continues to provide an annual grant towards operating costs in addition to capital contributions from time to time to meet specific liabilities.

The centre is open on average 358 days per year and in addition to bookings from individuals, the Directors have encouraged use by corporate bodies and a network of sporting clubs running within the umbrella of the centre.

Public Benefit

Through the principal activities of the Charity, the Trust aims to support the improvement of the health and well-being of the community, through affordable exercise activities. Working with schools, health professionals, social services and other external agencies, including those who work with adults and young people with learning and physical disabilities, the Trust is able to support those for whom access is prohibitive, either through financial or transport constraints.

The Charity also supports young people and families at risk, who are financially assisted by the NHS to improve their well-being, and works closely with the Youth Offending Team to give alternative behaviour patterns to young people on probation. The Trust gives free access to those striving to improve their natural ability at sports, and those demonstrating talent and excellence, working towards county, national or international aspirations.

Without the facilities of the Trust, there would be a large proportion of the population of Folkestone and surrounding areas who would not be able to enjoy the sports, fitness and social activities which should be the entitlement of every person.

ACHIEVEMENT AND PERFORMANCE

The Trust continues to evaluate each activity to ensure that the facilities are providing the best to meet the community's needs, and that those activities are financially viable to deliver. The Trust has introduced a Forest School to the facilities, and work with schools and other agencies offers well-being programmes as well as outdoor learning.

The cost of staff is rising faster than income, and constant evaluation of staffing levels is essential. The withdrawal of financial support for Apprenticeships resulted in the closure of our Apprenticeship programme during the year.

FINANCIAL REVIEW

Review of financial position

The results of the year are dealt with in the Consolidated Statement of Financial Activities on page 8

Income has decreased by £5,900 (after expenses of the trading subsidiary) and expenditure has increased by almost £12,000 resulting in a net loss of £13,815. The Trust holds funds to the value of £980,438 at the balance sheet date.

Reserve Policy

Mindful of the possibility of costs to be incurred in the regeneration period, the Trustees previously allowed reserves to exceed the policy level of 5%-7%. The policy will be reviewed now that regeneration costs are completed.

FUTURE PLANS

The continued redevelopment and regeneration of the Trust's facilities continues. The manager and director are continuing discussions with interested parties to ensure that the decisions to be made are robust and will secure the future of investment.

At the end of the year, investigations continue to ensure best practice and due diligence. This is a long term project, which plans to see the progressions of facilities on the existing site, to enable the growth of unique sports and the continuation of other activities with improved facilities.

RECRUITMENT AND APPOINTMENT OF DIRECTORS

The Directors of the Company are listed on page 2.

The following Directors retire by rotation and seek re-election at the Annual General Meeting:

R Stearn
G Hibbert ACIOB

Prior to 15 January 2005, one half of the Board of Directors was appointed by Shepway District Council, and one half by the remaining members of the Company. Since that date all Directors are subject to appointment by the shareholders although the Board may temporarily fill a casual vacancy.

Each Director has been given a summary of their main responsibilities, and receives formal training if required. The Trust has appointed Frederic Hall Solicitors to advise the Directors in respect of their legal responsibilities.

The Centre Manager is responsible for the day to day operations of the Centre and to present strategic plans and objectives to the Directors. The principal decisions of the Board are determining the policy which the Centre is to follow and to comply with the responsibilities set out on page 3. In this respect, they have in place systems of budgetary control and monthly investment and operating reporting.

Directors' Interests

The Directors' interests in the shares of the Company are as follows:

<u>(Ordinary shares of £1 each)</u>	<u>At 30 March 2018</u>	<u>At 30 March 2017</u>
PF Gardner	12	12
G Hibbert ACIOB	11	11
Mrs AFM Mackie	11	11
Mrs L Smith	11	11
DM Timmins	11	11
L Mayatt	11	11
R Stearn	11	-
A White	11	-

The remaining 11 shares are held by non-director RWR Pocock.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also the Directors of Folkestone Sports Centre Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice.)

Company law requires Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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 prevention and detection

STATEMENT OF TRUSTEES RESPONSIBILITIES CONTINUED
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;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE BOARD:



PF Gardner - Trustee

22nd November 2018

Date

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOLKESTONE SPORTS CENTRE TRUST LIMITED

We have audited the financial statements of Folkestone Sports Centre Trust Limited for the year ended 30 March 2018 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the Group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Practice.)

This report is made solely to the Group's and Parent 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 Group's members and the Charitable Company's members those matters we are required to state to them in an auditor's 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 Group and the Parent Charitable Company and the Group's and Parent Charitable Company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page six, 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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true & fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 30 March 2018 and of the group's and the parent charitable company's net movement in funds, including the group's and parent income and expenditure, for the period then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

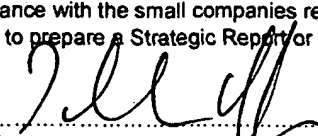
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the trustees for the financial period for which the financial statements are prepared is consistent with the financial statements;
- the report of the trustees has been prepared in accordance with applicable legal requirements;
- in the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.


David Muggridge FCCA (Senior Statutory Auditor)
for and on behalf of Ackland Webb Limited (Statutory Auditors)

49 Canterbury Innovation Centre, University Road, Canterbury, Kent, CT2 7FG

Date: 27/11/18

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 MARCH 2018

	Notes	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2018</u> <u>Total</u> £	<u>2017</u> <u>Total</u> £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income					
Donations		2,432	12,151	14,583	1,596
Interest receivable		21	-	21	71
Incoming resources from charitable activities					
Provision & management of sports & leisure activities	2	1,337,009	-	1,337,009	1,293,537
Grants	2	179,000	1,500	180,500	239,804
Incoming resources from generated funds					
Turnover of café & bar	3	182,572	-	182,572	181,177
Advertising revenue	3	2,420	-	2,420	2,213
Total incoming resources		1,703,454	13,651	1,717,105	1,718,398
Less expenses of trading subsidiary	4	(175,503)	-	(175,503)	(170,885)
Net incoming resources available for charitable application		1,527,951	13,651	1,541,602	1,547,513
RESOURCES EXPENDED					
Charitable activities	5	1,521,398	30,026	1,551,424	1,536,895
Governance costs	5	3,993	-	3,993	6,748
Total resources expended		1,525,391	30,026	1,555,417	1,543,643
Net incoming resources before investment gains		2,560	(16,375)	(13,815)	3,870
Net incoming resources		2,560	(16,375)	(13,815)	3,870
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		2,560	(16,375)	(13,815)	3,870
RECONCILIATION OF FUNDS					
Total funds brought forward 31 March 2017		296,905	697,348	994,253	990,383
TOTAL FUNDS CARRIED FORWARD 30 MARCH 2018		299,465	680,973	980,438	994,253

The notes form part of these financial statements

FOLKESTONE SPORTS CENTRE TRUST LIMITED
BALANCE SHEET AS AT 30 MARCH 2018

Page 9

		Group		Charity	
	Notes	30-Mar-18 £	30-Mar-17 £	30-Mar-18 £	30-Mar-17 £
FIXED ASSETS					
Tangible assets	10, 11	1,952,799	1,996,585	1,952,799	1,996,585
Investments	12	-	-	2	2
		<u>1,952,799</u>	<u>1,996,585</u>	<u>1,952,801</u>	<u>1,996,587</u>
CURRENT ASSETS					
Stocks	13	14,794	10,382	10,401	4,582
Debtors	14	19,963	22,333	28,548	22,333
Cash at bank & in hand		<u>60,293</u>	<u>75,151</u>	<u>38,286</u>	<u>63,744</u>
TOTAL CURRENT ASSETS		<u>95,050</u>	<u>107,866</u>	<u>77,235</u>	<u>90,659</u>
CREDITORS					
Amounts falling due within one year	15	<u>(118,661)</u>	<u>(128,874)</u>	<u>(100,848)</u>	<u>(111,669)</u>
NET CURRENT ASSETS/(CURRENT LIABILITIES)		<u>(23,611)</u>	<u>(21,008)</u>	<u>(23,613)</u>	<u>(21,010)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,929,188</u>	<u>1,975,577</u>	<u>1,929,188</u>	<u>1,975,577</u>
CREDITORS					
Amounts falling due after more than one year	16	<u>(948,650)</u>	<u>(981,224)</u>	<u>(948,650)</u>	<u>(981,224)</u>
NET ASSETS	18	<u>980,538</u>	<u>994,353</u>	<u>980,538</u>	<u>994,353</u>
FUNDS OF THE CHARITY					
Called up share capital	19	100	100	100	100
Restricted funds	17	680,973	697,348	680,973	697,348
Unrestricted funds	17	<u>299,465</u>	<u>296,905</u>	<u>299,465</u>	<u>296,905</u>
		<u>980,538</u>	<u>994,353</u>	<u>980,538</u>	<u>994,353</u>

The financial statements were approved by the board of Trustees on 22-11-18 and were signed on their behalf by:


 PF Gardner - Trustee

These notes form part of the financial statements

FOLKESTONE SPORTS CENTRE TRUST LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 MARCH 2018

Page 10

	Notes	31-Mar-18 £	31-Mar-17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>121,181</u>	<u>(41,613)</u>
Net cash provided by (used in) operating activities		<u>121,181</u>	<u>(41,613)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(36,231)</u>	<u>(47,563)</u>
Net cash provided by (used in) investing activities		<u>(36,231)</u>	<u>(47,563)</u>
Cash flows from financing activities:			
Interest paid		(64,760)	(66,876)
Loan repayments in year		(30,636)	(40,320)
(Increase)/Decrease in stocks		<u>(4,412)</u>	<u>(1,644)</u>
Net cash provided by (used in) financing activities		<u>(99,808)</u>	<u>(108,840)</u>
Change in cash and cash equivalents in the reporting period		<u>(14,858)</u>	<u>(198,016)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>75,151</u>	<u>273,167</u>
Cash and cash equivalents at the end of the reporting period		<u><u>60,293</u></u>	<u><u>75,151</u></u>

These notes form part of the financial statements

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	31-Mar-18	31-Mar-17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(13,815)	3,870
Adjustments for:		
Depreciation charges	80,016	77,733
Interest paid	64,760	66,876
Dividends received	-	-
Decrease/(increase) in debtors	2,370	54
(Decrease)/increase in creditors	<u>(12,150)</u>	<u>(190,146)</u>
Net cash provided by (use in) operating activities	<u>121,181</u>	<u>(41,613)</u>

1 ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

There were no material uncertainties about the charity's ability to continue as a going concern and the accounts have been produced on this basis.

Folkestone Sports Centre Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company Status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The company is incorporated in England and Wales.

1.3 Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees, and are available in general funds.

Restricted funds can only be used for particular purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are unrestricted funds ear marked by the Trustees for a particular purpose.

Further explanations of the nature and purpose of each fund are included in the notes to the financial statements.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measure reliably.

Admission fees represent fees, rentals and receivables towards the cost of providing sporting and leisure facilities.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Most expenses including support costs and governance costs are allocated to the applicable expenditure headings however where costs cannot be directly attributable to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

The irrecoverable element of VAT is shown as a separate expense within support and governance costs.

1.6 Tangible Fixed Assets

Depreciation is provided for when assets are brought into use.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	- nil
Freehold buildings & improvements	- 2.5% or 10% straight line
Plant and mechanical equipment	- 10% reducing balance
Furniture, fixtures and equipment	- 20% reducing balance

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.8 Leasing commitments

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable & the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by bank.

1.10 Trade debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.11 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as a basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pension costs and other post-retirement benefits

The Charitable Company operates a defined contribution pension scheme. Contributions payable to the Charitable Company's pension scheme are charged to the Statement of Financial Activities in the period in which they are payable.

1.14 Consolidation

These financial statements consolidate the results of the Charity and its wholly owned subsidiary Folkestone Sports Centre Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and the SORP 2015.

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Admission fees	1,337,009	-	1,337,009	1,293,537
Grants	180,500	-	180,500	239,804
	1,517,509	-	1,517,509	1,533,341

Grants received, included in the above, can be broken down as follows:

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
SDC - Annual grant	179,000	-	179,000	189,500
SDC - Sailing voyage event	-	-	-	3,600
Porchlight - Chrysalis project	-	-	-	5,476
SDC - Changing rooms	-	-	-	41,228
SDC - Outside facilities	-	1,500	1,500	-
	179,000	1,500	180,500	239,804

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Turnover of trading subsidiary	182,572	-	182,572	181,177
Advertising revenue	2,420	-	2,420	2,213
	184,992	-	184,992	183,390

4 TRADING ACTIVITIES OF SUBSIDIARY COMPANY

The charity has one wholly owned subsidiary company, Folkestone Sports Centre Limited, which is incorporated in the United Kingdom, and which is responsible for the bar and cafeteria at the Sports Centre. The subsidiary covenants its taxable profits to Folkestone Sports Centre Trust Limited. A summary of the trading results are shown below. Audited accounts are filed with the Registrar of Companies.

	30-Mar-18 £	30-Mar-17 £
Turnover	182,572	181,177
Less: Cost of sales	(167,777)	(162,495)
Gross profit	14,795	18,682
Less: Administrative expenses	(7,726)	(8,390)
Operating profit	7,069	10,292

4 TRADING ACTIVITIES OF SUBSIDIARY COMPANY - CONTINUED

	30-Mar-18	30-Mar-17
	£	£
Operating profit	7,069	10,292
Interest payable and similar charges	-	-
Net profit	7,069	10,292
Less amount covenanted to Folkestone Sports Centre Trust Limited	(7,069)	(10,292)
Retained by subsidiary	-	-

5 TOTAL RESOURCES EXPENDED

	2018	2017
	Total	Total
	£	£
Charitable activities		
Cost of sales	21,654	18,191
Wages & salaries	780,420	756,077
Pensions	3,537	2,764
Staff costs	6,440	2,735
Cleaning	14,660	15,400
Water rates & council tax	54,401	48,842
Light & heat	147,179	120,774
Property equipment and repairs & renewals	49,736	69,398
Depreciation & net loss on disposals	80,016	77,733
Support costs		
Wages & salaries	76,414	85,173
Health care	2,321	2,349
Staff training	2,768	-
Recruitment costs	209	-
Information technology	19,907	18,614
Insurance	51,315	44,006
Telephones	5,016	3,100
Printing, postage & stationery	13,894	15,284
Publicity	11,989	77,313
Mini bus running costs & travel	5,062	5,225
Sundry expenses	10,207	7,422
Bank charges & other loan interest	82,434	82,614
Legal & professional fees	6,258	2,548
Non recoverable value added tax	66,956	63,297
Leasing	38,631	18,036
	1,551,424	1,536,895
Governance		
Legal & professional fees	2,800	5,623
Non recoverable value added tax	1,193	1,125
	3,993	6,748

6 NET INCOMING RESOURCES/(RESOURCES EXPENDED)	30-Mar-18	30-Mar-17
	£	£
Net resources are stated after charging:		
Auditor's remuneration - audit & accountancy fees	2,800	2,500
Depreciation of fixed assets	80,016	77,733

7 TRUSTEES' REMUNERATION AND BENEFITS

During the year, no Trustees received any remuneration (2017 - £Nil)

During the year, no Trustees received any benefits in kind (2017 - £Nil)

During the year, no Trustees received any reimbursement of expenses (2017 - £Nil)

8 STAFF COSTS	30-Mar-18	30-Mar-17
	£	£
Staff costs were as follows:		
Wages & salaries	811,425	803,758
Social security costs	45,409	37,492
Other pension costs	3,537	2,764
	860,371	844,014

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

	30-Mar-18	30-Mar-17
Direct charitable	39	41
Administration	5	5
	44	46

The key management personnel of the charity comprise the Trustees & the Centre Manager.

Total employee benefits of key management personnel of the Charity are £ (2017 £36,000)

No employees received remuneration amounting to more than £60,000 in either year.

9 TAXATION

Folkestone Sports Centre Trust Limited is a registered Charity and is not subject to taxation.

It's subsidiary company Folkestone Sports Centre Limited, covenants the whole of it's profits to it's holding company and is therefore not liable to Corporation Tax.

10 TANGIBLE FIXED ASSETS - CHARITY

	Land, Buildings & Improvements £	Plant & Mechanical Equipment £	Furniture Fixtures & Equipment £	Total £
Cost				
At 31 March 2017	2,516,740	395,066	690,948	3,602,754
Additions	5,290	30,941	-	36,231
Disposals	-	-	-	-
At 30 March 2018	2,522,030	426,007	690,948	3,638,985
Depreciation				
At 31 March 2017	629,535	328,200	648,435	1,606,170
Charge for year	63,292	8,241	8,483	80,016
At 30 March 2018	692,827	336,441	656,918	1,686,186
Net Book Value				
At 30 March 2018	1,829,203	89,566	34,030	1,952,799
At 30 March 2017	1,887,205	66,866	42,513	1,996,584

All fixed assets are held mainly for charitable purposes.

Analysis of net book value of land & buildings:	30-Mar-18 £	30-Mar-17 £
Land	40,000	40,000
Buildings	1,789,203	1,847,205
	<u>1,829,203</u>	<u>1,887,205</u>

11 TANGIBLE FIXED ASSETS - GROUP

	Land, Buildings & Improvements £	Plant & Mechanical Equipment £	Furniture Fixtures & Equipment £	Total £
Cost				
At 31 March 2017	2,516,740	395,066	690,948	3,602,754
Additions	5,290	30,941	-	36,231
Disposals	-	-	-	-
At 30 March 2018	2,522,030	426,007	690,948	3,638,985
Depreciation				
At 31 March 2017	629,535	328,200	648,435	1,606,170
Charge for year	63,292	8,241	8,483	80,016
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All fixed assets are held mainly for charitable purposes.

Analysis of net book value of land & buildings:

	30-Mar-18 £	30-Mar-17 £
Land	40,000	40,000
Buildings	1,789,203	1,847,205
	1,829,203	1,887,205

12 FIXED ASSETS INVESTMENTS

	Group 2018 £	2017 £	Charity 2018 £	2017 £
£1 Ordinary Shares at cost in Folkestone Sports Centre Limited	-	-	2	2

Subsidiary undertaking

The Charity's only subsidiary undertaking is Folkestone Sports Centre Limited. The Charity holds 100% of the issued share capital of that company.

13 STOCKS

	Group 2018 £	2017 £	Charity 2018 £	2017 £
Sports goods for resale	2,557	405	2,557	405
Consumables	12,237	9,977	7,844	4,177
	14,794	10,382	10,401	4,582

14 DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	6,789	8,832	6,789	8,832
Other debtors	13,174	13,501	13,019	13,501
Amount due from subsidiary company	-	-	8,740	-
	<u>19,963</u>	<u>22,333</u>	<u>28,548</u>	<u>22,333</u>

15 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank loans & overdrafts	30,637	28,700	30,637	28,700
Trade creditors	29,986	40,438	22,474	32,092
Other creditors	11,963	18,046	10,576	15,955
Amount due to subsidiary company	-	-	-	1,604
Taxes & social security	19,184	18,538	12,920	12,281
Accruals & deferred income	26,891	23,152	24,241	21,037
	<u>118,661</u>	<u>128,874</u>	<u>100,848</u>	<u>111,669</u>

16 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	948,650	981,224	948,650	981,224
Repayable by instalments within 2-5 years	122,548	112,000	122,548	112,000
Repayable after more than 5 years	826,102	869,224	826,102	869,224
	<u>948,650</u>	<u>981,224</u>	<u>948,650</u>	<u>981,224</u>

The loans are secured by a charge over the freehold properties owned by the Trust.

17 STATEMENT OF FUNDS

	<u>Balance</u> <u>31-Mar-17</u>	<u>Incoming</u> <u>Resources</u>	<u>Resources</u> <u>Expended</u>	<u>Transfers</u>	<u>Balance</u> <u>30-Mar-18</u>
General funds					
General funds	296,905	1,527,951	(1,525,391)	-	299,465
Total unrestricted funds	296,905	1,527,951	(1,525,391)	-	299,465
Restricted funds					
Capital reserve	470,940	-	(18,737)	-	452,203
Sports Hall reserve	20,701	-	(1,786)	-	18,915
Disability Project reserve	54,217	-	(4,523)	-	49,694
Sensory Garden reserve	7,773	-	(221)	-	7,552
Sensory Pool reserve	2,874	-	(328)	-	2,546
Car Park reserve	100,000	-	-	-	100,000
Changing Rooms reserve	40,843	-	(957)	-	39,886
Forest School	-	3,500	(548)	-	2,952
Sports Hall Lighting	-	7,124	(597)	-	6,527
MUGA Lighting	-	1,277	(829)	-	448
Kids Gym Refurbishment	-	250	-	-	250
Outside Facilities reserve	-	1,500	(1,500)	-	-
Total restricted funds	697,348	13,651	(30,026)	-	680,973
Total funds	994,253	1,541,602	(1,555,417)	-	980,438

Sports Hall reserve - a grant was awarded to the Centre to cover the costs of specific capital purchases relating to the refurbishment of the sports hall. The expenditure in the accounts relates to annual depreciation on these items.

Disability Project reserve - Funding was awarded to the Centre by Kent County Council and the MOD to allow the installation of facilities and new access to the Centre for use by both physically disabled individuals and the general public. The balance of funds comprises capital expenditure that is being written off over the expected useful life of the relevant assets.

Sensory Garden reserve - Donations were received for the construction of a sensory garden in the Centre's grounds, which was completed during 2016/17. The expenditure in the accounts relates to annual depreciation on these items.

Sensory Pool Reserve - Funding was awarded by Kent County Council in the year to refurbish the small swimming pool into a multi-use fun and sensory pool for the use of young children's swimming lessons, and for people with learning and physical disabilities. The expenditure in the accounts relates to annual depreciation on these items.

Car Park Reserve - An overage receipt in August 2015 is being held to commence work on a new car park to the rear of the current Sports Hall.

Changing Rooms Reserve - Funding was awarded by Shepway District Council to replace the swimming pool changing rooms. The balance of funds comprises capital expenditure that is being written off over the expected useful life of the items.

17 STATEMENT OF FUNDS continued

Forest School - Funding was awarded to assist with the creation of a Forest School area within the sports centre grounds, for use by the public both as a relief for various conditions including stress and to provide educational facilities.

Sports Hall Lighting - Funding was raised to assist toward the cost of installing replacement LED lighting in the sports hall. The balance of funds comprises capital expenditure that is being written off over the expected useful life of the lighting.

MUGA Lighting - Funding was awarded to assist toward the cost of installing MUGA lighting. The balance of funds comprises capital expenditure that is being written off over the expected useful life of the lighting.

Kids Gym Refurbishment - Funds were awarded toward the cost of refurbishing the kids gym. Refurbishment works had not been started before 31 March 2018.

Outside Facilities Reserve - Funding was awarded by Shepway District Council to assist toward the cost of updating some of the outside facilities at the centre, the funds were spent in full.

18 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	1,382,003	570,796	1,952,799	1,996,585
Current assets	(4,950)	100,000	95,050	107,866
Creditors due within one year	(118,661)	-	(118,661)	(128,874)
Creditors due after more than one year	(948,650)	-	(948,650)	(981,224)
	309,742	670,796	980,538	994,353

19 SHARE CAPITAL

	Group 2018 £	2017 £	Charity 2018 £	2017 £
Authorised and fully paid: Ordinary shares £1 each	100	100	100	100

20 RELATED PARTY TRANSACTIONS

No related party transactions were identified in the year.

21 OPERATING LEASE COMMITMENTS

As at 30 March 2018 the company had annual commitments under non-cancellable operating leases as follows:

	Group 2018 £	2017 £	Charity 2018 £	2017 £
Expiring:				
Within one year	10,586	10,586	10,586	10,586
Between one and five years	11,979	11,979	11,979	11,979

22 PENSION COMMITMENTS

The Charity has in place a group pension scheme, the benefits of which accrue from defined contributions. The Charity makes a contribution to the scheme equal to the amount which the employee is required to contribute under the rules of the scheme. The contributions of the Charity in the year amounted to £3,537 (2017 £2,764)