

COMPANY NUMBER: 4982682
CHARITY NUMBER: 1117186

BOLTON COMMUNITY LEISURE LIMITED
a company limited by guarantee

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006



Crane & Partners
Chartered Accountants

BOLTON COMMUNITY LEISURE LIMITED

SCHEDULE OF ADVISORS

Directors / Trustees

Bob Atkinson
Sheldon Phillips
Jan Hutchinson
Richard Saunders
Daniel Morgan
Anthony Lord
Shabbir Jusab
John Byrne
Stuart Bailey
Nicholas Brooks Skyes
John O'Keeffe

Registered Office

Horwich Leisure Centre
Victoria Road
Horwich
Bolton
BL6 5PY

Secretary

Margaret Stoney

Auditors

Crane & Partners
Sussex House
8-10 Homesdale Rd
Bromley
Kent
BR2 9LZ

Solicitors

Eversheds LLP
Senator House
85 Queen Victoria Street
London
EC4V 4JL

Bankers

National Westminster
42 Deansgate
Bolton
Lancashire
BL1 1BN

BOLTON COMMUNITY LEISURE LIMITED

CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

This is the third year of the operation of Bolton Community Leisure Limited (the Trust) and further work has been done in consolidating the Trust's role in developing sport and recreational services in Bolton

The Trust has an important role to play in overseeing the management of the leisure facilities, which is carried out by Serco Leisure, extending sport and recreational opportunities and improving the quality of service standards. I am pleased to report that we have again seen improvements in services during 2006. A further 4 centres have achieved the Leisure Management Quality Standard 'Quest' which means that 10 out of the 11 facilities are now accredited.

Service standards have also been enhanced by a joint commitment from the Trust and Serco Leisure to on-going monitoring of quality standards. In addition, during the year, Serco Leisure achieved accreditation to the nationally recognised 'Investors in People' initiative.

The Trust has been able to directly financially support the development of new fitness facilities at Horwich Leisure Centre and through successful applications for neighbourhood Renewal Funding further fitness facilities have been developed at 4 Dual Use Centres.

Existing capital resources were directed towards improvement of pool changing rooms at Horwich and Farnworth, which will be completed in 2007.

The financial performance of the Trust during 2006 shows an increase in reserves and the future financial growth of the Trust looks promising, which will allow us to make more direct financial contributions to service provision. The Trust gained formal charitable status with the Charity Commission during 2006 and this will hopefully lead to further resources being forthcoming for the Trust's activities.

The Trust continues to look to develop its role and is considering increasing its portfolio of facilities as well as taking a more leading role in promoting sport and recreation across Bolton.

I remain concerned about the quality of much of the physical building stock of the facilities under the Trust's remit and there will be a need to particularly work with Bolton Council to look at long-term development solutions.

Following a recruitment campaign carried out in 2006 the number of Trustees has been increased to 11. I would like to thank existing and new Trustees, officers of the Trust, Bolton Council and Serco Leisure for their efforts in progressing the development of the Trust and commitment to continuous service improvement.

Sheldon Phillips
Chair, Bolton Community Leisure Limited
27 April 2007

BOLTON COMMUNITY LEISURE LIMITED

TRUSTEES ANNUAL REPORT AND REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2006

Bolton Community Leisure Limited was incorporated on the 2 December 2003. It is a Charity, governed by a set of Memorandum and Articles of Association, and was registered with the Charities Commission on 8 December 2006.

The affairs of the Charity are managed by the directors and the principal place of operation is Horwich Leisure Centre, Victoria Road, Horwich, Bolton, BL6 5PY.

Directors

The following directors have held office since 1 January 2005

| | |
|-----------------------|----------------------------|
| John Waters | (resigned 8 August 2006) |
| Bob Atkinson | |
| Sheldon Phillips | |
| Jan Hutchinson | |
| Richard Saunders | |
| Ian Hamilton | (resigned 8 May 2006) |
| Philip Mason | (resigned 27 January 2006) |
| Daniel Morgan | (appointed 21 July 2006) |
| Anthony Lord | (appointed 21 July 2006) |
| Jusab Shabbir | (appointed 21 July 2006) |
| John Byrne | (appointed 21 July 2006) |
| Stuart Bailey | (appointed 21 July 2006) |
| Nicholas Brooks Skyes | (appointed 21 July 2006) |
| John O'Keeffe | (appointed 21 July 2006) |

All directors listed above are trustees of the charity

Reserves

It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level to meet anticipated unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs. Unrestricted funds were maintained at this level throughout the year. The charity intends to maintain a minimum reserve of £10,000.

Review of the year

A review of the year has been included in the Chair's Statement on page 2.

(cont)

BOLTON COMMUNITY LEISURE LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2006

Risk Management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks

The systems of internal control are designed to provide reasonable, but not absolute, assurance against misstatement or loss
They include

A strategic plan and an annual budget approved by the directors

Regular consideration by the directors of financial results, variance from budgets, non-financial performance and benchmarking reviews

Delegation of authority and segregation of duties

Identification and management of risks

Directors' Responsibilities

Company law requires the directors prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing those financial statements, the directors are required to

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

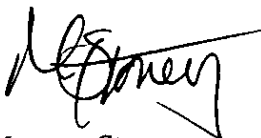
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

This report has been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies

Auditors

A resolution to reappoint Crane & Partners as auditors will be proposed at the Annual General Meeting

By order of the Board



Margaret Stoney

Secretary

27 April 2007

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF BOLTON COMMUNITY LEISURE LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2006

We have audited the financial statements of Bolton Community Leisure Limited on pages 6 to 13 for the year ended 31 December 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described in the statement of directors' responsibilities on page 4, the directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in financial statements. It also includes an assessment of the significant estimates and judgments by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company at 31 December 2006 and of its surplus for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.

Sussex House
8-10 Homesdale Road
Bromley
Kent BR2 9LZ

Crane & Partners
Crane & Partners
Registered Auditors

18 May 2007

BOLTON COMMUNITY LEISURE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2006

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2006 £ | Total 2005 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| Income and Expenditure | | | | | |
| Incoming resources | | | | | |
| <i>from continuing operations</i> | | | | | |
| Grants | 2 | 2,348,202 | - | 2,348,202 | 2,305,074 |
| Leisure Centre | 3 | 2,736,391 | - | 2,736,391 | 2,477,416 |
| Total Incoming Resources | 13 | <u>5,084,593</u> | <u>-</u> | <u>5,084,593</u> | <u>4,782,490</u> |
| Resources Expended | | | | | |
| <i>on continuing operations</i> | | | | | |
| Cost of sales | 4 | 156,544 | - | 156,544 | 155,283 |
| Staff related | 5 | 2,602,561 | - | 2,602,561 | 2,543,670 |
| Building related | 6 | 778,069 | - | 778,069 | 738,469 |
| Services | 7 | 76,650 | - | 76,650 | 82,373 |
| Administration | 8 | 289,261 | - | 289,261 | 326,803 |
| Investment | 9 | 768,765 | - | 768,765 | 795,049 |
| | | <u>4,671,850</u> | <u>-</u> | <u>4,671,850</u> | <u>4,641,647</u> |
| Other expenditure | 10 | 404,568 | - | 404,568 | 139,432 |
| Total resources expended | 13 | <u>5,076,417</u> | <u>-</u> | <u>5,076,417</u> | <u>4,781,079</u> |
| Net incoming resources / Net Movement in Funds | | 8,176 | - | 8,176 | 1,411 |
| Fund balances | | | | | |
| at 1 January 2006 | | 6,439 | - | 6,439 | 5,028 |
| at 31 December 2006 | | <u>14,615</u> | <u>-</u> | <u>14,615</u> | <u>6,439</u> |

BOLTON COMMUNITY LEISURE LIMITED

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

| | 2006 | 2005 |
|--|---------------------------|---------------------------|
| | £ | £ |
| Gross Income of continuing operations | 5,084,593 | 4,782,490 |
| Total expenditure of continuing operations | <u>(5,076,417)</u> | <u>(4,781,079)</u> |
| Net income for the financial year | <u>8,176</u> | <u>1,411</u> |

- (a) Detailed analyses of expenditure are provided in the Statement of Financial Activities
- (b) The Summary of Income and Expenditure Account is derived from the Statement of Financial Activities on page 6 which, together with the notes on pages 9 to 13, provides full information on the movements during the year on all the charity's funds

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

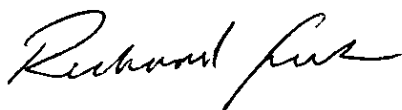
The company has no recognised gains or losses other than those dealt with in the Statement of Financial Activities for both the current and previous years

BOLTON COMMUNITY LEISURE LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2006**

| | Notes | £ | 2006 | £ | £ | 2005 | £ |
|---|-------|------------------|------|---------------|----------------|------|--------------|
| Current Assets | | | | | | | |
| Stock | | 24,237 | | | 25,641 | | |
| Debtors and prepayments | 11 | 154,285 | | | 605,659 | | |
| Cash at bank and in hand | | 926,090 | | | 339,939 | | |
| | | <u>1,104,611</u> | | | <u>971,239</u> | | |
| Current Liabilities | | | | | | | |
| Creditors Amounts falling due within one year | 12 | <u>1,089,996</u> | | | <u>964,800</u> | | |
| Net Current Assets | | | | <u>14,615</u> | | | <u>6,439</u> |
| Net Assets | | | | <u>14,615</u> | | | <u>6,439</u> |
| Funds | | | | | | | |
| Restricted funds | 13 | | | - | | | - |
| Unrestricted funds | 13 | | | <u>14,615</u> | | | <u>6,439</u> |
| | | | | <u>14,615</u> | | | <u>6,439</u> |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board of Directors on 27 April 2007



Richard Saunders
Vice Chairman

BOLTON COMMUNITY LEISURE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2006****1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice, Accounting by Charities and in accordance with the accounting policies set out below

1.1 Income

Income is recorded when receivable whenever the amount is known, otherwise it is recorded on a cash received basis

Grants receivable are credited to income for the period for which they are given. Grants received in respect of future periods are treated as deferred income in the Balance Sheet

1.2 Expenditure

Expenditure is taken into account when it is incurred

1.3 Stock

Stock is stated at the lower of cost and net realisable value

1.4 Leases

Rental costs under operating leases are charged to the income and expenditure account in equal annual instalments over the period of the lease

1.5 Pensions

The company participates in the Greater Manchester Superannuation Fund, a defined contribution scheme. The amounts paid and due are shown in note 15

2 GRANTS

| | 2006 | 2005 |
|----------------|------------------|------------------|
| | £ | £ |
| Bolton Council | <u>2,348,202</u> | <u>2,305,074</u> |

3. LEISURE CENTRE

| | 2006 | 2005 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Wetside | 1,154,890 | 1,016,621 |
| Dryside | 580,746 | 546,698 |
| Isospa | 233,855 | 239,679 |
| Isospa - membership | 395,074 | 287,797 |
| Courses and classes | 437 | 113 |
| Food and beverages | 250,859 | 259,007 |
| Admission fees | 13,709 | 15,220 |
| Other income | 107,294 | 46,373 |
| Cash variances | (473) | 1,403 |
| Serco Leisure Limited Contribution | - | 64,505 |
| | <u>2,736,391</u> | <u>2,477,416</u> |

BOLTON COMMUNITY LEISURE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2006**

| 4. COST OF SALES | 2006 £ | 2005 £ |
|----------------------------|-------------------|-------------------|
| Food and beverages | 131,523 | 140,997 |
| Other saleable items | 18,650 | 14,286 |
| Income / profit share | 6,370 | - |
| | <u>156,544</u> | <u>155,283</u> |
| 5. STAFF RELATED | 2006 £ | 2005 £ |
| Salaries and wages | 2,231,509 | 2,188,817 |
| Employers liability | 274,078 | 273,096 |
| Other staff costs | 83,082 | 65,287 |
| Agency/SE Staff | 13,893 | 16,470 |
| | <u>2,602,561</u> | <u>2,543,670</u> |
| 6. BUILDING RELATED | 2006 £ | 2005 £ |
| Repairs and maintenance | 265,953 | 337,060 |
| Utilities | 453,485 | 353,693 |
| Cleaning | 58,456 | 48,565 |
| Rates/rent | - | (830) |
| Other | 175 | (19) |
| | <u>778,069</u> | <u>738,469</u> |
| 7. SERVICES | 2006 £ | 2005 £ |
| Marketing | 44,662 | 44,744 |
| Machine hire | 8,620 | 7,538 |
| Consumables | 24,854 | 23,244 |
| Other | (1,486) | 6,847 |
| | <u>76,650</u> | <u>82,373</u> |

BOLTON COMMUNITY LEISURE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2006**

| | | |
|---|------------------|----------------|
| 8. ADMINISTRATION | 2006 | 2005 |
| | £ | £ |
| Communications | 27,809 | 31,658 |
| Legal and professional | 26,488 | 96,715 |
| Auditors remuneration | - | 2,300 |
| Bank charges | 110,691 | 176,194 |
| Other | 124,273 | 19,936 |
| | <u>289,261</u> | <u>326,803</u> |
| 9. INVESTMENT | 2006 | 2005 |
| | £ | £ |
| Operating lease | 335,453 | 335,453 |
| Credit sale agreement | 399,097 | 449,282 |
| VAT equalisation | 24,750 | - |
| Other | 9,465 | 10,314 |
| | <u>768,765</u> | <u>795,049</u> |
| 10. OTHER EXPENDITURE | 2006 | 2005 |
| | £ | £ |
| Finance lease interest | 157 | 758 |
| Overhead recharges | 84,063 | 67,686 |
| Insurance | 73,976 | 70,988 |
| Management fee to Serco Leisure Operating Limited | 246,372 | - |
| | <u>404,568</u> | <u>139,432</u> |
| 11. DEBTORS | 2006 | 2005 |
| | £ | £ |
| Trade debtors | 70,939 | 56,650 |
| Other debtors | 6,534 | 312,767 |
| Prepayments and accrued income | 76,812 | 236,242 |
| | <u>154,285</u> | <u>605,659</u> |
| 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 2006 | 2005 |
| | £ | £ |
| Trade creditors | 58,261 | 109,877 |
| Taxation and social security | 42,780 | 45,817 |
| Accruals and deferred income | 988,955 | 809,106 |
| | <u>1,089,996</u> | <u>964,800</u> |

BOLTON COMMUNITY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2006

13. FUNDS

Restricted funds hold amounts received for specific activities and expenditure on those activities is set against those amounts

Unrestricted funds comprise income received for general use of the Charity

| | Balance 01.01.06 | Movement in funds | | Balance 31.12.06 |
|---------------------------|-----------------------------|-------------------------------|-------------------------------|-----------------------------|
| | | Incoming Resources | Resources Expended | |
| | £ | £ | £ | £ |
| Restricted Funds | - | - | - | - |
| Unrestricted Funds | 6,439 | 5,084,593 | (5,076,417) | 14,615 |
| | <u>6,439</u> | <u>5,084,593</u> | <u>(5,076,417)</u> | <u>14,615</u> |
| Total funds | <u>6,439</u> | <u>5,084,593</u> | <u>(5,076,417)</u> | <u>14,615</u> |

The balance on these funds is represented by the assets and liabilities of the Charity and an analysis of these assets and liabilities between restricted and unrestricted funds is shown in note 14

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|--|-------------------------------------|-----------------------------------|------------------------------|
| Fund balances at 31 December 2006 are represented by: | | | |
| <i>Current assets</i> | | | |
| Stock | 24,237 | - | 24,237 |
| Debtors and prepayments | 154,285 | - | 154,285 |
| Cash at bank | 926,090 | - | 926,090 |
| <i>Current liabilities</i> | <u>(1,089,996)</u> | <u>-</u> | <u>(1,089,996)</u> |
| Net assets | <u>14,615</u> | <u>-</u> | <u>14,615</u> |

15. PENSION COSTS

The company contribute at a rate of 12.1% of gross salaries to the Greater Manchester Superannuation Fund. Payments to the fund totalled £154,540, and no amounts were outstanding at the year end

BOLTON COMMUNITY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2006

16. OPERATING LEASE COMMITMENTS

Rentals payable under operating lease commitments are as follows

£

On leases expiring after five years

735,000

17. COMPANY STATUS

The company is limited by guarantee and thus has no share capital. Each of the members has undertaken to contribute the sum of £10 in the event of the company being unable to meet its liabilities. There are 11 members.