

**COMPANY NUMBER: 4982682**

**BOLTON COMMUNITY LEISURE LIMITED**  
*a company limited by guarantee*

**FINANCIAL STATEMENTS**  
**FOR THE PERIOD TO 31 DECEMBER 2004**



**Crane & Partners**  
**Chartered Accountants**

**BOLTON COMMUNITY LEISURE LIMITED**

**SCHEDULE OF ADVISORS**

**Directors**

Laura Nuttall  
John Waters  
Bob Atkinson  
Sheldon Phillips  
Jan Hutchinson  
Richard Saunders  
Ian Hamilton

**Secretary**

Margaret Stoney

**Registered Office**

Horwich Leisure Centre  
Victoria Road  
Horwich  
Bolton  
BL6 5PY

**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 2004**

This has been the first year of the operation of Bolton Community Leisure Limited (the Trust) and a lot has been achieved in setting up a new mechanism for the management and operation of sport and recreation facilities previously run by Bolton Metropolitan Borough Council (Bolton MBC). It is hoped that these new arrangements will provide a more efficient and effective service, providing better quality and more appropriate opportunities for all of the community to take part in sport, recreation and leisure activities.

Much of the Trust's work in this early phase of its development has been to agree and oversee the complex set of legal agreements between the Trust, Bolton MBC and Serco Leisure Operating Limited (Serco), the company appointed to run the facilities on behalf of the Trust.

In terms of the operation of the facilities themselves, Serco has successfully taken over management responsibilities, including the transfer of staff previously employed by Bolton MBC. The most obvious sign of the new arrangements has been a major capital investment programme which has led to much improved community facilities being provided, especially at Farnworth, Ladybridge, Westhoughton and Horwich Leisure Centres where new fitness and ancillary facilities have been built.

Health and safety has been a top priority for the Trust along with general quality service standards. We have ensured that appropriate internal and external monitoring is in place to ensure that standards are subject to continuous improvement processes.

During the year, a fatality occurred at the swimming pool at Horwich Leisure Centre, and whilst this was a totally accidental death, it did highlight the need for vigilance in all health and safety matters.

The Trust has had a relatively small number of Trustees during the year and further consideration will need to be given to the total number of Trustees and to ensure that they adequately represent the interests of the wider community.

The Trust has spent time considering its own longer-term objectives and how it can measure progress. In addition, it has contributed to the establishment of a Leisure Centre Partnership strategy which provides a basis for joint working between the Trust, Bolton MBC and Serco.

The financial accounts show a small surplus for the period which reflects the neutral nature of the funding arrangements with Bolton MBC. In the future the Trust wishes to secure charitable status and to seek additional funds which will be used to further the Trust's objectives.

Finally, I would like to thank fellow Trustees and Officers of the Trust, Bolton MBC and Serco for their efforts during this first successful year.



Sheldon Phillips  
Chair, Bolton Community Leisure Limited  
22 July 2005

## **BOLTON COMMUNITY LEISURE LIMITED**

### **TRUSTEES ANNUAL REPORT AND REPORT OF THE DIRECTORS**

#### **FOR THE PERIOD TO 31 DECEMBER 2004**

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 is in the process of Registering with the Charities Commission.

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.

#### **Trustees and Directors**

The following trustees and directors have held office since 2 December 2003:

Laura Nuttall	(Appointed 02/12/2003)
John Waters	(Appointed 02/12/2003)
Bob Atkinson	(Appointed 12/12/2003)
Anthony Connell	(Appointed 12/01/2003, Resigned 10/06/2004)
Sheldon Phillips	(Appointed 12/12/2003)
Jan Hutchinson	(Appointed 12/12/2003)
Alison Hill	(Appointed 15/01/2004, Resigned 24/05/2004)
Richard Saunders	(Appointed 20/01/2004)
Ian Hamilton	(Appointed 05/07/2004, Resigned 31/08/2004, Re-appointed 26/11/2004)

#### **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.

#### **Review of the year**

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

#### **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.

**BOLTON COMMUNITY LEISURE LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE PERIOD TO 31 DECEMBER 2004**

**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.

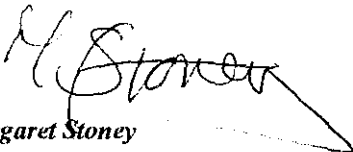
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

22 July 2005

## **INDEPENDENT AUDITORS REPORT**

### **TO THE MEMBERS OF BOLTON COMMUNITY LEISURE LIMITED**

#### **FOR THE PERIOD TO 31 DECEMBER 2004**

We have audited the financial statements of Bolton Community Leisure Limited on pages 6 to 13 for the year ended 31 December 2004. 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 2004 and of its surplus for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

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

*Crane & Partners*  
**Crane & Partners**  
Chartered Accountants  
**Registered Auditors**  
25 July 2005

**BOLTON COMMUNITY LEISURE LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE PERIOD TO 31 DECEMBER 2004**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2004 £
<b>Income and Expenditure</b>				
<b>Incoming resources</b>				
<i>from continuing operations</i>				
Grants	2	2,234,860	-	2,234,860
Leisure Centre	3	2,269,511	-	2,269,511
Total Incoming Resources	13	<u>4,504,371</u>	<u>-</u>	<u>4,504,371</u>
<b>Resources Expended</b>				
<i>on continuing operations</i>				
Cost of sales	4	125,201	-	125,201
Staff related	5	2,493,548	-	2,493,548
Building related	6	591,968	-	591,968
Services	7	82,750	-	82,750
Administration	8	273,933	-	273,933
Investment	9	784,736	-	784,736
		<u>4,352,136</u>	<u>-</u>	<u>4,352,136</u>
Other expenditure	10	147,207	-	147,207
<b>Total resources expended</b>	13	<u>4,499,343</u>	<u>-</u>	<u>4,499,343</u>
<b>Net incoming resources /</b>				
<b>Net Movement in Funds</b>				
		5,028	-	5,028
<b>Fund balances</b>				
at 2 December 2003				
		-	-	-
at 31 December 2004				
		<u>5,028</u>	<u>-</u>	<u>5,028</u>

**BOLTON COMMUNITY LEISURE LIMITED**

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**

**FOR THE PERIOD TO 31 DECEMBER 2004**

	2004 £
Gross Income of continuing operations	4,504,371
Total expenditure of continuing operations	<u>(4,499,343)</u>
Net income for the financial year	<u>5,028</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**

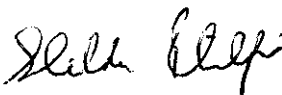
**BALANCE SHEET**

**AS AT 31 DECEMBER 2004**

	Notes	2004 £	£
<b>Current Assets</b>			
Stock		20,584	
Debtors and prepayments	11	529,346	
Cash at bank and in hand		<u>467,872</u>	
		1,017,802	
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	12	<u>1,012,774</u>	
<b>Net Current Assets</b>			<u>5,028</u>
<b>Net Assets</b>			<u><u>5,028</u></u>
<b>Funds</b>			
Restricted funds	13		-
Unrestricted funds	13		<u>5,028</u>
			<u><u>5,028</u></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 22 July 2005



**Sheldon Phillips**  
**Chairman**

# **BOLTON COMMUNITY LEISURE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD TO 31 DECEMBER 2004**

#### **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**

**2004**

**£**

Bolton Metropolitan Council

2,234,860

#### **3. LEISURE CENTRE**

**2004**

**£**

Wetside

988,776

Dryside

475,998

Isospa

173,993

Isospa - membership

128,694

Courses & Classes

780

Food & Beverage

202,199

Admission Fees

27,626

Other Income

35,593

Cash Variances

(397)

Serco Leisure Limited Contribution

236,249

2,269,511

**BOLTON COMMUNITY LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE PERIOD TO 31 DECEMBER 2004**

<b>4. COST OF SALES</b>	<b>2004</b>
	<b>£</b>
Food & Beverage	118,027
Other Saleable Items	7,174
	<u>125,201</u>
<b>5. STAFF RELATED</b>	<b>2004</b>
	<b>£</b>
Salaries & Wages	2,180,422
Employers Liability	245,243
Other Staff Costs	66,055
Agency/SE Staff	1,828
	<u>2,493,548</u>
<b>6. BUILDING RELATED</b>	<b>2004</b>
	<b>£</b>
Repairs & Maintenance	197,433
Utilities	334,702
Cleaning	46,668
Rates/Rent	10,830
Other	2,335
	<u>591,968</u>
<b>7. SERVICES</b>	<b>2004</b>
	<b>£</b>
Marketing	46,663
Machine Hire	12,816
Consumables	16,488
Other	6,783
	<u>82,750</u>

**BOLTON COMMUNITY LEISURE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE PERIOD TO 31 DECEMBER 2004**

<b>8. ADMINISTRATION</b>	<b>2004</b>
	<b>£</b>
Communications	21,062
Legal, Professional	76,357
Auditors remuneration	2,300
Bank charges	97,286
Other	76,928
	<u>273,933</u>
<b>9. INVESTMENT</b>	<b>2004</b>
	<b>£</b>
Operating Lease	331,154
Credit Sale Agreement	453,582
	<u>784,736</u>
<b>10. OTHER EXPENDITURE</b>	<b>2004</b>
	<b>£</b>
Finance Lease Interest	1,422
Overhead Recharges	33,189
Insurance	112,596
	<u>147,207</u>
<b>11. DEBTORS</b>	<b>2004</b>
	<b>£</b>
Trade debtors	10,866
Other debtors	236,249
Prepayments and accrued income	282,231
	<u>529,346</u>
<b>12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2004</b>
	<b>£</b>
Trade creditors	59,832
Taxation and social security	73,918
Accruals and deferred income	879,024
	<u>1,012,774</u>

**BOLTON COMMUNITY LEISURE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE PERIOD TO 31 DECEMBER 2004****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 02.12.03	Movement in funds		Balance 31.12.04
		Incoming Resources	Resources Expended	
	£	£	£	£
<b>Restricted Funds</b>	-	-	-	-
<b>Unrestricted Funds</b>	-	4,504,371	(4,499,343)	5,028
<b>Total funds</b>	-	4,504,371	(4,499,343)	5,028

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 15.

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>Fund balances at 31 December 2004 are represented by:</b>			
<i>Current assets:</i>			
Stock	20,584	-	20,584
Debtors and prepayments	529,346	-	529,346
Cash at bank	467,872	-	467,872
<i>Current liabilities:</i>	(1,012,774)	-	(1,012,774)
<b>Net assets</b>	<u>5,028</u>	<u>-</u>	<u>5,028</u>

**15. PENSION COSTS**

The company contribute at a rate of 10.7% of gross salaries to the Greater Manchester Superannuation Fund. Payments to the fund totalled £121,429, and no amounts were outstanding at the year end.

**BOLTON COMMUNITY LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE PERIOD TO 31 DECEMBER 2004**

**16. OPERATING LEASE COMMITMENTS**

Rentals payable under operating lease commitments  
are as follows: £

On leases expiring after five years: 784,736

**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 7 members.