

Company Registration No. 05396330 (England and Wales)

SOUTH RIBBLE COMMUNITY LEISURE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

PAGES FOR FILING WITH REGISTRAR



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SOUTH RIBBLE COMMUNITY LEISURE LIMITED

BALANCE SHEET

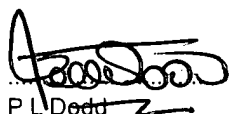
AS AT 31 DECEMBER 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|------------------|--------------------|------------------|--------------------|
| Current assets | | | | | |
| Stocks | | 11,208 | | 11,151 | |
| Debtors | 4 | 161,648 | | 151,012 | |
| Cash at bank and in hand | | 379,666 | | 354,877 | |
| | | <u>552,522</u> | | <u>517,040</u> | |
| Creditors: amounts falling due within one year | 5 | <u>(535,025)</u> | | <u>(502,393)</u> | |
| Net current assets | | | 17,497 | | 14,647 |
| Provisions for liabilities | | | (2,030,000) | | (3,251,000) |
| Deferred income | 7 | | (17,497) | | (14,647) |
| Net liabilities | | | <u>(2,030,000)</u> | | <u>(3,251,000)</u> |
| Reserves | | | | | |
| Income and expenditure account | | | <u>(2,030,000)</u> | | <u>(3,251,000)</u> |

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16/9/19 and are signed on its behalf by:



P L Dodd
Director

Company Registration No. 05396330

SOUTH RIBBLE COMMUNITY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

South Ribble Community Leisure Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is South Ribble Tennis & Fitness Centre, Cuerden Way, Bamber Bridge, Preston, Lancashire, PR5 6BJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Since the company's incorporation, the impact of FRS 17 "Retirement benefits" and subsequently FRS102 has generally resulted in a significant liability being shown on the balance and an increase in the pension costs included in the income and expenditure accounts. This, together with the lower than expected performance in the company's initial periods of trading, has led the directors to consider the application of the going concern basis in preparing these financial statements. Based on the continued contractual commitment of South Ribble Borough Council and SERCO Leisure Operating Limited, the directors believe it is appropriate to adopt the going concern basis in preparing these financial statements, while recognising that the company is dependant on the continued receipt of annual funding from South Ribble Borough Council and financial commitment of SERCO Leisure Operating Limited, who have contract to fund any shortfall in the company's operational financial performance. All parties remain committed to taking the company to a surplus level of financial performance and will take appropriate action as required to achieve this having due regard to the generally difficult and uncertain environment in which the company operates.

1.3 Income and expenditure

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of services is recognised in the period in which the service is provided.

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---------------------|-----------------------------|
| Plant and equipment | 3 years straight line basis |
|---------------------|-----------------------------|

SOUTH RIBBLE COMMUNITY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Taxation

The company is exempt from corporation tax, it being a company not carrying on a business for the purposes of making a profit.

SOUTH RIBBLE COMMUNITY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in surplus or deficit as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 150 (2017 - 151).

SOUTH RIBBLE COMMUNITY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

3 Tangible fixed assets

| | Plant and machinery etc £ |
|--|------------------------------------|
| Cost | |
| At 1 January 2018 and 31 December 2018 | 7,169 |
| Depreciation and impairment | |
| At 1 January 2018 and 31 December 2018 | 7,169 |
| Carrying amount | |
| At 31 December 2018 | - |
| At 31 December 2017 | - |

4 Debtors

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 113,273 | 125,419 |
| Other debtors | 30,501 | 104 |
| Prepayments and accrued income | 17,874 | 25,489 |
| | <u>161,648</u> | <u>151,012</u> |

5 Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 28,309 | 134,504 |
| Taxation and social security | 36,900 | 61,162 |
| Other creditors | 1,543 | 11,751 |
| Accruals and deferred income | 468,273 | 294,976 |
| | <u>535,025</u> | <u>502,393</u> |

6 Provisions for liabilities

| | 2018 £ | 2017 £ |
|--------------------------------|------------------|------------------|
| Retirement benefit obligations | <u>2,030,000</u> | <u>3,251,000</u> |

7 Government grants

Deferred income of £17,497 (2017 - £14,647) is included in the financial statements and represents government grant income deferred to future periods.

SOUTH RIBBLE COMMUNITY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Helen Clayton BSc FCA.

The auditor was PM+M Solutions for Business LLP.