

Registered number: 06164137

ACADEMY SPORT LEISURE CENTRE LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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ACADEMY SPORT LEISURE CENTRE LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS

Mr N Howe
Mr B Stabler

COMPANY SECRETARY

Speafi Secretarial Limited

REGISTERED NUMBER

06164137

REGISTERED OFFICE

1 London Street
Reading
Berkshire
RG1 4QW

INDEPENDENT AUDITOR

Crowe Clark Whitehill LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

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ACADEMY SPORT LEISURE CENTRE LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their report and the audited financial statements for the year ended 31 August 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

In November 2016, notice was given to terminate the Lease of the Academy Sport Leisure Centre.

Following discussions between the Department of Education, Reading Borough Council and representatives of the John Madejski Academy, an agreement was reached to transfer the lease and staff of the Academy Sports and Leisure Centre to Reading Borough Council at the earliest opportunity.

After the transfer it is proposed by the Directors that the Academy Sports Leisure Centre Ltd be wound-up with no outstanding liabilities during 2017.

DIRECTORS

The directors who served during the year were:

Mr N Howe
Mr B Stabler

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on 28 MARCH 2017 and signed on its behalf.



Mr B Stabler
Director



Mr N Howe
Director

ACADEMY SPORT LEISURE CENTRE LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY SPORT LEISURE CENTRE LIMITED

We have audited the financial statements of Academy Sport Leisure Centre Limited for the year ended 31 August 2016, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 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 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 AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. It is the intention of the Trustees and Governors of the John Madejski Academy (JMA), the company's parent, that the school be transferred to a Multi Academy Trust (MAT) both for educational and financial reasons. An agreement has been reached with the MAT for the transfer of the school. Approval in principle has also been received for the transfer from both the Department of Education (DoE) and the

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY SPORT LEISURE CENTRE LIMITED

Education Funding Authority (EFA). To ensure the transfer could proceed, the JMA trustees issued a 6 month break notice to terminate the lease with Reading Borough Council (RBC) for the ASLC's premises and operation. The main impediment to an early termination date is the dilapidations liability in respect of ASLC's premises. Following a number of meetings, a proposal has been submitted to DoE/EFA and RBC for final settlement of the dilapidations and all liabilities under the lease. It is the view of the Directors of the Academy Sports and Leisure Centre Limited that the proposal will proceed and that it will be possible to wind-up the Company without liability during 2017. On this basis, the company is not a Going Concern but no adjustments are required to the numbers on the basis that the directors expect the transfer to occur. If the transfer does not occur, there may be further adjustments required to the accounts which have not currently been recognised.


OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Janette Joyce (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 28.3.17

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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
TURNOVER	1	731,385	765,001
Cost of sales		<u>(699,087)</u>	<u>(716,122)</u>
GROSS PROFIT		32,298	48,879
Administrative expenses		<u>(139,858)</u>	<u>(152,840)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(107,560)	(103,961)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	8	<u>(107,560)</u>	<u>(103,961)</u>

The notes on pages 7 to 12 form part of these financial statements.

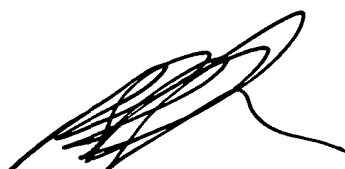
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(A company limited by guarantee)
REGISTERED NUMBER: 06164137

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	3		321,320		367,664
CURRENT ASSETS					
Stocks	4	2,187		2,177	
Debtors	5	24,539		31,108	
Cash at bank and in hand		30,671		35,568	
		<u>57,397</u>		<u>68,853</u>	
CREDITORS: amounts falling due within one year	6	<u>(179,700)</u>		<u>(129,940)</u>	
NET CURRENT LIABILITIES			<u>(122,303)</u>		<u>(61,087)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>199,017</u>		<u>306,577</u>
CAPITAL AND RESERVES					
Capital funds	8		414,008		367,664
Profit and loss account	8		<u>(214,991)</u>		<u>(61,087)</u>
	9		<u>199,017</u>		<u>306,577</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



Mr B Stabler
Director



Mr N Howe
Director

The notes on pages 7 to 12 form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

It is the intention of the Trustees and Governors of the JMA (the company's parent) that the school be transferred to a Multi Academy Trust (MAT) both for educational and financial reasons. An agreement has been reached with the MAT for the transfer of the school. Approval in principle has also been received for the transfer from both the Department of Education (DoE) and the Education Funding Authority (EFA). To ensure the transfer could proceed, the JMA trustees issued a 6 month break notice to terminate the lease with Reading Borough Council (RBC) for the ASLC's premises and operation. The main impediment to an early termination date is the dilapidations liability in respect of ASLC's premises. Following a number of meetings, a proposal has been submitted to DoE/EFA and RBC for final settlement of the dilapidations and all liabilities under the lease. It is the view of the Directors of the Academy Sports and Leisure Centre Limited that the proposal will proceed and that it will be possible to wind-up the Company without liability during 2017. On this basis, the company is not a Going Concern but no adjustments are required to the numbers on the basis that the directors expect the transfer to occur.

1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.5 Tangible fixed assets and depreciation

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:

S/Term Leasehold Property	-	25 years straight line
Plant & machinery	-	5 years straight line
Fixtures & fittings	-	10 years straight line

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. LOSS

The loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	46,344	46,649
Auditor's remuneration	3,068	3,050
	<u>49,412</u>	<u>50,700</u>

During the year, no director received any emoluments (2015 - £NIL).

3. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Plant & machinery £	Total £
Cost			
At 1 September 2015	386,228	601,490	987,718
Disposals	-	(3,190)	(3,190)
At 31 August 2016	<u>386,228</u>	<u>598,300</u>	<u>984,528</u>
Depreciation			
At 1 September 2015	130,879	489,175	620,054
Charge for the year	15,444	30,900	46,344
On disposals	-	(3,190)	(3,190)
At 31 August 2016	<u>146,323</u>	<u>516,885</u>	<u>663,208</u>
Net book value			
At 31 August 2016	<u>239,905</u>	<u>81,415</u>	<u>321,320</u>
At 31 August 2015	<u>255,349</u>	<u>112,315</u>	<u>367,664</u>

4. STOCKS

	2016 £	2015 £
Goods for resale	<u>2,187</u>	<u>2,177</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. DEBTORS

	2016 £	2015 £
Trade debtors	15,629	11,608
Other debtors	8,910	19,500
	<u>24,539</u>	<u>31,108</u>

6. CREDITORS:
Amounts falling due within one year

	2016 £	2015 £
Trade creditors	15,077	3,916
Amounts owed to John Madejski Academy	90,105	59,929
Other taxation and social security	9,255	11,508
Other creditors	65,263	54,587
	<u>179,700</u>	<u>129,940</u>

7. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

8. RESERVES

	Capital funds £	Profit and loss account £
At 1 September 2015	367,664	(61,087)
Loss for the financial year	-	(107,560)
Transfer between Capital funds and P/L account	46,344	(46,344)
At 31 August 2016	<u>414,008</u>	<u>(214,991)</u>

The Capital Fund is a distributable reserve, and represents an internal allocation of the Profit and Loss Reserve by the Directors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2016 £	2015 £
Opening members' funds	306,577	410,538
Loss for the financial year	(107,560)	(103,961)
Closing members' funds	<u>199,017</u>	<u>306,577</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. PENSION COMMITMENTS

Contributions totalling £25,888 (2015 - £17,456) were paid during the year. No amounts were outstanding as at 31 August 2016 (2015: £nil).

11. OPERATING COMMITMENTS

At 31 August 2016 the company had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Expiry date:		
Within 1 year	37,264	37,264
Between 2 and 5 years	43,474	80,738
	<u>80,738</u>	<u>118,002</u>

12. RELATED PARTY TRANSACTIONS

The company is controlled by John Madejski Academy. During the year John Madejski Academy rented sports facilities from the company for £88,002. The company charged John Madejski Academy of £49,540. At the year end the amount owed to JMA is £90,105.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party is the John Madejski Academy by virtue of dominant influence and control.