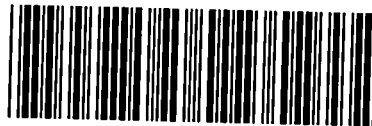


Charity Registration No. 1152401

Company Registration No. 08361324 (England and Wales)

LEGACY LEISURE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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LEGACY LEISURE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Chair	E Holmes
Other Trustees	J Wood M Johnson
Charity number	1152401
Company number	08361324
Principal address	Attwood House John Comyn Drive Worcester WR3 7NS
Registered office	Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Bankers	Santander Corporate Banking 298 Deansgate Manchester M3 4HH
Solicitors	Harrison Clarke Rickerbys 5 Deansway Worcester WR1 2JG

LEGACY LEISURE LIMITED

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LEGACY LEISURE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees present their report and accounts for the year ended 31 December 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and Articles of Association dated 14th March 2013 which was subsequently amended on the 23rd June 2013, 20th September 2013 and by Resolution dated 20th August 2014, the Companies Act 2006 and "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) (as amended for accounting periods commencing from 1 January 2016)".

Objectives and activities

Our charity's purpose, as set out in the objects contained in the charitable company's Memorandum of Association, is to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of the public at large or for individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

The aim of our charity is to promote sport and leisure activity in the local community, to improve the health and wellbeing of the public at large through the provision of leisure facilities that promote exercise and provide a social arena.

The focus of our work

Our main objective for the year was the management of leisure facilities. The charitable company undertakes this activity with a view to promoting sport and leisure in local communities. The strategies we used to meet this objective included:

- To provide or assist exclusively in the provision of existing facilities, and the development of new facilities, in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their condition of life;
- The provision of recreational and/or leisure related services, whether under sub-contract or otherwise, and whether in whole and/or in part at leisure or sports centres, other sporting facilities or otherwise and all matters ancillary to the provision of any such services;
- To continue to operate a quality sport and recreational service for all sections of the community and ensure high level of client satisfaction
- Increase fundraising activity for the Charity for the benefits of the local communities it serves
- To apply any surplus made from the provision of recreational and/or leisure related services to the continuance and/or improvement of any facilities made available to or in connection with such provision of recreational and/or leisure related services;
- To apply for and obtain grants where possible to aid in the provision of leisure facilities; and
- To carry out any other trade or business which can in the opinion of the board of directors be advantageously carried on in connection with or ancillary to any of the businesses of the company.

LEGACY LEISURE LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

Public Benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

All of Legacy Leisure's activities are focused on the delivery of promoting sport and leisure activities to the community local to each of our leisure facilities. The public benefits delivered include:

- The provision of leisure facilities for the general public use i.e. sports centres, gyms etc.
- The advancement of amateur sports by classes, lessons, coaching and the availability of leisure facilities and equipment for the purposes of keeping fit and recreational sport.
- The promotion of health and well-being by strategies put in place to increase participation in community sports and links with other health promotion providers.
- The running of and ability to participate in group activity/competitions.
- Arrangements for members of societies with special needs, the elderly and people with disabilities.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

Throughout 2017 Legacy Leisure Limited has operated leisure centres with a wide range of both wet and dry facilities.

Legacy Leisure has continued to operate eight leisure centres, including some dual use facilities linked to local schools in West Berkshire, the largest of which is Northcroft Leisure Centre. In October 2017, at the clients' bidding, Legacy Leisure discontinued operations of Theale Green Recreation Centre.

Legacy Leisure has continued to operate six leisure centres, including some dual use facilities linked to local schools in the Royal Borough of Windsor and Maidenhead, the largest of which is Windsor Leisure Centre.

Legacy Leisure has continued to operate eight leisure centres in Exeter, the largest of which is Riverside Leisure Centre.

Legacy Leisure has continued to operate six leisure centres, including some dual use facilities linked to local schools in the Vale of Glamorgan, the largest of which is Barry Leisure Centre.

Legacy Leisure has continued to operate three leisure centres, including some dual use facilities linked to local schools in Cherwell, the largest of which is Spiceball Leisure Centre in Banbury.

Legacy Leisure has continued to operate four leisure centres in Kettering, the largest of which is Kettering Swimming Pool.

Legacy Leisure has continued to operate one leisure centre in Woodgreen comprising Woodgreen Leisure Centre.

Legacy Leisure has continued to operate three leisure centres in North Somerset. The largest centre in the North Somerset contract is Hutton Moor Leisure Centre in Weston-super-Mare.

Legacy Leisure has continued to operate three leisure centres in South Northamptonshire. The largest centre in the South Northamptonshire contract is Towcester Centre for Leisure.

LEGACY LEISURE LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

In September 2017 Legacy Leisure commenced operation of a contract in Cherwell comprising two leisure facilities the largest of which is Whiteland Farm Sports Ground

In September 2017 Legacy Leisure commenced operation of a contract in the Royal Borough of Windsor and Maidenhead comprising one leisure facility, Marlow Road Community Centre.

The Expressions brand is operated throughout the facilities and allows members to utilise both the fitness gym and swimming pools. The forty-five centres operated by the Charity in 2017 had a membership base of 31,585 members in December 2017. In addition the Charity also had 2,694 swim only members.

Health and safety is a key priority for the Charity. Through the use of comprehensive procedures and ongoing diligence, the number of incidents and accidents were kept to a minimum.

The facilities are used by the local communities, both by customers with memberships and by non-members. The charitable company endeavours to ensure that customers are a key priority and feedback on cleanliness and services provided is encouraged to allow us to monitor that the high standards we set are being achieved, and allow us to make improvements where necessary.

Financial review

Principal Funding Source

The Charity's principle source of income is from the provision of leisure facilities to the general public, through the operation of local authority leisure centres. The local authority leisure centres are used by the public for a variety of purposes including recreation, fitness and for lessons. The facilities operated by the Charity comprise of swimming pools, fitness gyms and tennis courts. This forms the Charity's Unrestricted Funds.

To enable the leisure facilities to provide a wider range of programmes, individual centres also look to acquire grant funding and subsidies from government schemes. This forms the Charity's Restricted Funds.

The unrestricted funds freely available for use in charitable activities as at 31st December 2017 stood at £294,871 (2016 £228,799).

Reserves Policy

Total funds held at the year end amounted to £294,871 (2016 £234,351). This includes restricted funds of £nil (2016 £5,552).

The income and property of the Charity shall be applied solely towards the promotion of its object, the provision of leisure facilities. The Management Committee continually review the Charity's requirements for reserves as it is the main risk area to the organisation. The risk to the Charity is the level of fixed costs and committed community funded grants, the Management Committee are building reserves and aiming to reach and maintain its budgeted fixed costs, committed community funded grants and contracted liabilities for the year following the latest approved annual financial statements.

LEGACY LEISURE LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

Risk Management

The charitable company has established an ongoing process for identifying, evaluating and managing the charitable company's key risks. This process includes the review of non financial as well as financial risks. The primary concern of the charitable company is to ensure the Health and Safety of the public and employees at its leisure centres. As part of the risk management process, policies and procedures have been established with the intention of managing risk appropriately and ensuring compliance with appropriate legislation. The trustees take advice from experts where appropriate.

The charitable company is also concerned with financial risks, the Management Committee reviews and agrees policies for managing each of these risks and they are summarised below.

Price risk

The charitable company consumes significant amounts of energy in the course of its operations due to heating of leisure centre swimming pools and saunas. Therefore the charitable company is exposed to price risk in the energy sector.

Credit risk

The charitable company has no significant concentrations of credit risk. The charitable company has implemented policies that require appropriate credit checks on potential customers before sales commence.

Plans for the Future

In February 2017 a fire in the Health Suite at Riverside Leisure Centre resulted in the temporary closure of the swimming pool. It is envisaged that the swimming pool will reopen in September 2018.

The client has determined that Clifton Hill Leisure Centre, which is part of the Exeter contract, will close in July 2018

The Charity plans to continue the activities outlined above, subject to the foregoing, in the forthcoming years. The Charity is preferred bidder to operate a leisure centre in Cardiff, contract commenced January 2018, with the aim of increasing its portfolio so it is able to promote sport and leisure to a wider proportion of the general public.

The Charity will also continue to look for new forms of funding and grants that will allow it to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of the public at large or for individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 15th January 2013 and registered as a charity on 12th June 2013. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The directors of the company are also the Charity trustees for the purposes of Charity law and under the company's Articles are known as members of the Management Committee, those who served during the year were:

J Wood

M Johnson

E Holmes

The Charity may by ordinary resolution appoint a person who is willing to act to be a director. The minimum number of directors of the Charity is three. If the number of directors is less than the number fixed as the quorum, the continuing directors, or director may act only for the purpose of filling vacancies or of calling a general meeting.

LEGACY LEISURE LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

Two members of the Management Committee give their time voluntarily and received no benefits from the charity. The third member of the Management Committee Eva Holmes, receives remuneration and expenses are reclaimed from the charity, please refer to note 8 for details.

Organisational Structure

Legacy Leisure has a Management Committee of a minimum of three members who meet on a quarterly basis and are responsible for the strategic direction and policy of the Charity. At present the Committee has three members. The trustees meet on a regular basis to discuss and plan objectives and implementation thereof.

A scheme of delegation is in place and day to day responsibility for the provision of services rest with Operational Managers. They are responsible for ensuring that the Charity delivers the services specified and that the key performance indicators are met. They are responsible for the individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

Trustee Induction and Training

Potential trustees are inducted by means of an induction programme that includes:

- Background to Legacy Leisure.
- Purpose of the post, duties, liabilities and responsibilities.
- The obligations of Management Committee members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Relationships with other groups, charities and individuals

The charitable company works closely with local authorities for which they run leisure centres to ensure that the community's needs for access to the leisure facilities are met.

Related Parties

The charitable company does not currently have any related parties, other than its current members.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

LEGACY LEISURE LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

Auditor

In accordance with the company's articles, a resolution proposing that Kendall Wadley LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.



E Holmes

Trustee

Dated: 24 July 2018

LEGACY LEISURE LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees, who are also the directors of Legacy Leisure Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LEGACY LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LEGACY LEISURE LIMITED

Opinion

We have audited the accounts of Legacy Leisure Limited (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

LEGACY LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LEGACY LEISURE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 accounts 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Elizabeth Needham ACA CTA (VAT) (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

24 July 2018

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

LEGACY LEISURE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Activities for generating funds	3	35,598,271	-	35,598,271	30,110,255
Grants and other restricted funds	3	-	40,908	40,908	104,060
Investments	4	5,074	-	5,074	5,528
Total income		35,603,345	40,908	35,644,253	30,219,843
<u>Expenditure on:</u>					
Charitable activities	5	35,537,273	46,460	35,583,733	30,082,862
Total resources expended		35,537,273	46,460	35,583,733	30,082,862
Net income/(expenditure) for the year/ Net movement in funds		66,072	(5,552)	60,520	136,981
Fund balances at 1 January 2017		228,799	5,552	234,351	97,370
Fund balances at 31 December 2017		294,871	-	294,871	234,351

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LEGACY LEISURE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Current assets					
Stocks	12	359,203		362,607	
Debtors	13	2,565,134		3,233,492	
Cash at bank and in hand		624,729		225,040	
		<u>3,549,066</u>		<u>3,821,139</u>	
Creditors: amounts falling due within one year	14	<u>(3,254,195)</u>		<u>(3,586,788)</u>	
Net current assets			<u>294,871</u>		<u>234,351</u>
Income funds					
Restricted funds	16		-		5,552
Unrestricted funds			<u>294,871</u>		<u>228,799</u>
			<u>294,871</u>		<u>234,351</u>

The accounts were approved by the Trustees on 24 July 2018

M Johnson
Trustee



E Holmes
Trustee



Company Registration No. 08361324

LEGACY LEISURE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	18		394,615		52,657
Investing activities					
Interest received		5,074		5,528	
Net cash generated from investing activities			5,074		5,528
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			399,689		58,185
Cash and cash equivalents at beginning of year			225,040		166,855
Cash and cash equivalents at end of year			624,729		225,040

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Legacy Leisure Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Granta Lodge, 71 Graham Road, Malvern, Worcestershire, WR14 2JS.

Business is transacted through a number of leisure centres, details of which can be found on the website www.legacyleisure.org.uk.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of their charitable objectives.

Restricted funds are subject to the specific conditions imposed by donors as to how they may be expended. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Grant income is recognised in the statement of financial activities when received in accordance with the SORP.

Other sources of income represent monies received in the pursuit of leisure activities or hire of facilities, net of VAT and is recognised in the statement of financial activities at the point in which the activity is undertaken.

Investment income is included in the statement of financial activities in the year in which it is receivable.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are included in the financial statements as soon as recognised.

Costs of generating funds comprise those costs associated with attracting voluntary income and the cost of providing the leisure facilities for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, whereas other costs are apportioned on a basis of estimated usage.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The charity 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 charity's balance sheet when the charity 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. Financial assets classified as receivable within one year are not amortised.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. 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 operations 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

The charitable company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year they are payable.

The charitable company also has a small number of employees who are members of defined benefit pension schemes. These schemes are multi-employer schemes and the charity is unable to identify its share of the underlying assets and liabilities in them on a consistent and reliable basis. As such the contributions are accounted for as if the schemes were defined contribution and contributions are charged as they become payable.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Charitable activities

	Activities for generating funds	Grants and other restricted funds	Total 2017	Total 2016
	£	£	£	£
Swimming Pool and Memberships	5,293,667	-	5,293,667	4,921,903
Fitness Gym and Memberships	16,007,360	-	16,007,360	14,098,363
Tennis and Memberships	30,521	-	30,521	36,164
Wetside Courses	4,592,567	-	4,592,567	3,580,840
Food and Beverage incl. Vending	1,965,985	-	1,965,985	1,594,720
Goods for Resale	507,686	-	507,686	443,922
Diving	815	-	815	552
Facilities Hire	858,440	-	858,440	753,938
Other Indoor Activities	1,961,373	-	1,961,373	1,735,541
Creche and Holiday Programme	269,410	-	269,410	222,757
Outdoor Activities	685,268	-	685,268	626,736
Other Income	2,357,030	-	2,357,030	1,027,196
Managed Business Fees	1,068,149	-	1,068,149	1,067,623
Performance Related Grants (see below)	-	40,908	40,908	104,060
	<u>35,598,271</u>	<u>40,908</u>	<u>35,639,179</u>	<u>30,214,315</u>
Analysis by fund				
Unrestricted funds	35,598,271	-	35,598,271	
Restricted funds	-	40,908	40,908	
	<u>35,598,271</u>	<u>40,908</u>	<u>35,639,179</u>	
For the year ended 31 December 2016				
Unrestricted funds	30,110,255	-		30,110,255
Restricted funds	-	104,060		104,060
	<u>30,110,255</u>	<u>104,060</u>		<u>30,214,315</u>

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Charitable activities (Continued)

Performance related grants

Health Promotion Officer	7,433	20,050
Sportivate	-	3,682
Active Exeter	3,720	6,722
Macmillan Cancer	6,630	8,840
Activity for Health Moving Forward	2,280	2,280
Squash Court Refurbishment Funding	-	34,432
Fun Station	10,000	10,000
Free swimming lessons under the Stingray scheme	-	10,000
England Squash Foundation: Squash Girls Can	-	150
Fit for life	-	5,000
Football in the Community: substance abuse project	-	1,000
Sway funding	-	1,004
Sportivate: Squash Girls Can	220	900
Swimming lessons: Shark funding scheme	10,000	-
GP Referrals	625	-
	<u>40,908</u>	<u>104,060</u>

4 Investments

	2017	2016
	£	£
Interest receivable	<u>5,074</u>	<u>5,528</u>

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Charitable activities

	Staff Costs	Administrati on Costs	Centre Costs	Total 2017	Total 2016
	£	£	£	£	£
Staff costs	15,979,173	-	-	15,979,173	13,673,091
Administration Charges	-	2,485,207	-	2,485,207	2,224,819
Contract Fee	-	-	6,369,957	6,369,957	4,847,707
Food and Beverage	-	-	922,366	922,366	727,514
Goods for Resale	-	-	292,129	292,129	235,566
Consumables	-	-	126,536	126,536	141,399
Heat and Light	-	-	2,543,068	2,543,068	2,234,507
Rates	-	-	883,675	883,675	754,287
Insurance	-	-	254,052	254,052	306,510
Repairs and Renewals	-	-	1,753,737	1,753,737	1,586,594
Print, Stationery and Postage	-	-	126,417	126,417	112,932
Telephone	-	-	68,172	68,172	56,024
Travelling	-	-	102,676	102,676	99,826
Marketing	-	-	284,665	284,665	287,526
Training	-	-	69,579	69,579	62,779
Consultancy	-	-	11,128	11,128	13,505
Subscriptions	-	-	430,071	430,071	327,700
Sundry	-	-	301,209	301,209	242,067
Disallowable VAT	-	-	2,398,845	2,398,845	1,991,809
Legal and Professional	-	-	15,500	15,500	22,179
Bad Debts	-	-	145,703	145,703	122,221
	15,979,173	2,485,207	17,099,485	35,563,865	30,070,562
Grant funding of activities (see note 6)	-	-	7,555	7,555	-
Share of governance costs (see note 7)	-	12,313	-	12,313	12,300
	15,979,173	2,497,520	17,107,040	35,583,733	30,082,862
Analysis by fund					
Unrestricted funds	15,932,713	2,497,520	17,107,040	35,537,273	
Restricted funds	46,460	-	-	46,460	
	15,979,173	2,497,520	17,107,040	35,583,733	
For the year ended 31 December 2016					
Unrestricted funds	13,574,288	2,237,119	14,172,652		29,984,059
Restricted funds	98,803	-	-		98,803
	13,673,091	2,237,119	14,172,652		30,082,862

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Grants payable

	2017 £	2016 £
Grants to sports clubs	7,555	-
	<u>7,555</u>	<u>-</u>

7 Governance costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Audit and Accountancy	-	12,313	12,313	12,300	Governance
	<u>-</u>	<u>12,313</u>	<u>12,313</u>	<u>12,300</u>	
Analysed between					
Charitable activities	-	12,313	12,313	12,300	
	<u>-</u>	<u>12,313</u>	<u>12,313</u>	<u>12,300</u>	

Governance costs includes payments to the auditors of £9,600 (2016: £9,600) for audit fees.

8 Trustees

E Holmes received remuneration amounting to £16,668 (2016: £15,333) as allowed under the governing documents of the charity for services other than being a trustee.

None of the other trustees (or any persons connected with them) received any remuneration during the year.

Two Trustees were also reimbursed £1,383 (2016: £1,886) in connection with travelling and other expenses.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Employees

Number of employees

The average monthly number of full time employees during the year was: 783, (2016 - 677). On a head count basis the average number is as follows:

	2017 Number	2016 Number
Administration and Management	75	60
Receptionists	184	191
Operations	1,559	1,596
Junior Managers	125	134
	<u>1,943</u>	<u>1,981</u>

Employment costs

	2017 £	2016 £
Wages and salaries	15,115,170	12,900,590
Social security costs	703,799	611,190
Other pension costs	160,204	161,311
	<u>15,979,173</u>	<u>13,673,091</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £149,520 (2016 £145,786).

Contributions to defined benefit schemes treated as defined contribution schemes (see accounting policies) were £10,684 (2016 - 15,526).

11 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	507,807	673,842
	<u>507,807</u>	<u>673,842</u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,493,641	2,886,676
	<u>2,493,641</u>	<u>2,886,676</u>

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12	Stocks	2017 £	2016 £
	Goods for resale and equipment maintenance	359,203	362,607

Amount of stocks recognised as an expense in the period is £1,214,495 (2016: £963,080).

13	Debtors	2017 £	2016 £
	Amounts falling due within one year:		
	Trade debtors	503,795	673,088
	Other debtors	4,012	754
	Prepayments and accrued income	2,057,327	2,559,650
		2,565,134	3,233,492

14	Creditors: amounts falling due within one year	Notes	2017 £	2016 £
	Other taxation and social security		265,008	299,915
	Deferred income	15	495,546	400,197
	Trade creditors		1,913,827	2,340,199
	Other creditors		363,775	303,941
	Accruals		216,039	242,536
			3,254,195	3,586,788

15	Deferred income	2017 £	2016 £
	Arising from Membership fees	495,546	400,197
	Current liabilities	495,546	400,197

The above deferred income is released in full in the subsequent accounting period.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2017	Movement in funds		Transfers	Balance at 31 December 2017
	£	Income	Expenditure	£	£
Health Promotion Officer	-	7,433	(7,433)	-	-
Sportivate	1,733	220	(1,953)	-	-
Active Exeter	-	3,720	(3,720)	-	-
Macmillan Cancer	-	6,630	(6,630)	-	-
Activity for Health Moving Forward	570	2,280	(2,850)	-	-
Fun Station	-	10,000	(10,000)	-	-
English Squash Foundation:					
Squash Girls Can	25	-	(25)	-	-
Fit for life	2,880	-	(2,880)	-	-
Football in the Community:					
Substance abuse programme	-	-	(168)	168	-
Sway funding	344	-	(344)	-	-
Swimming lessons: Shark funding	-	10,000	(10,000)	-	-
GP Referrals	-	625	(625)	-	-
	5,552	40,908	(46,628)	168	-

Health Promotion Office - (West Berkshire Borough Council) - A fixed term 2 year contract for 16 hours per week for an Activity for Health Promotions Officer.

Sportivate - (Exeter City Council) – To provide high quality, positive activity which will give young people the chance to discover a sport that they love and want to continue participating in. Current delivery focus is on inactive young people, women and girls, young people with a disability or the 19 -25 age group.

Active Exeter – (Active Devon) – To provide sport and activity in workplace and community settings for 30 – 50 year olds across Exeter.

Macmillan Cancer - (West Berkshire Borough Council) - To provide a programme for people living with cancer. The programme covers the hire of studio space and instructors over a period of 12 months.

Activity for Health Moving Forward –(West Berkshire Borough Council) - To provide regular support for people with mental health problems through the provision of monthly gym sessions on a 1 : 1 basis or through group sessions.

Fun Station - Holiday Activity (West Berkshire Borough Council) - To engage children and young people (2 to 12 years) in free sport and leisure activities across specified leisure centres in the West Berkshire district at advertised times.

Squash Girls Can - To promote squash coaching for young adults aged 14-18 years.

Fit for life - Sport England - To provide led cycle rides to allow individuals to gain confidence to cycle and be able to cycle on their own.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

16 Restricted funds

(Continued)

Sway Funding - (Get Berkshire Active) - To develop sustainable sporting activity.

Free swimming lessons under the Sharks scheme - Primary School Children (West Berkshire Borough Council) - To provide free swimming lesson programmes for children who are identified as non-swimmers in years 2,1 and down to Foundation Year (and Year 3 where required). The sessions will run on a 50 week continuous programme.

GP Referrals - funding to cover fitness programmes for individuals as advised by GPs.

17 Related party transactions

There were no disclosable related party transactions during the year (2016- none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	101,554	97,188
18 Cash generated from operations	2017 £	2016 £
Surplus for the year	60,520	136,981
Adjustments for:		
Investment income recognised in statement of financial activities	(5,074)	(5,528)
Movements in working capital:		
Decrease/(increase) in stocks	3,404	(123,899)
Decrease/(increase) in debtors	668,358	(741,736)
(Decrease)/increase in creditors	(427,942)	605,856
Increase in deferred income	95,349	180,983
Cash generated from operations	394,615	52,657