

Annual Return (AR30) form

Society Name: Sevenoaks Leisure Limited
 Society Num: 29665 R

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register.

For guidance on our registration function for societies, which includes guidance on the requirement to submit an Annual Return, please see [here](#)

2.1 What date did the financial year covered by these accounts end?

31/12/2018

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers.

Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of Director	Month of Birth	Year of Birth
Jane Parish	Apr	1958
Alan Peal	Jul	1966
Sarah Gibbins	May	1965
Dawn Hallam	Aug	1965
Alan Farmer	May	1961
Roberta Fairclough	Jan	1949
Derek Keegans	Dec	1959
Tim Phillips	Feb	1963

Gillian Davison	Nov	1939
Paul Jobling	May	1980
Jon Jeffery	Oct	1986
Patricia Bosley	Dec	1945
Cameron Clark	Nov	1951
Bryan Hughes	Apr	1944
Kevin Stanley	Sep	1971
Alan Dharmendra	Oct	1978

3.2 All directors must be 16 or older. Please confirm this is this case:

All directors are aged 16 or over

3.3 Societies are within the scope of the Company Director Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

No director is disqualified

3.4 Please state any close links which any of the directors has with any society, company or authority.

'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

Patricia Bosley - Partner or sole proprietor of Bosley Investments Ltd
Dawn Hallam - trustee of Sevenoaks Area Youth Trust
Alan Peal - partner or sole proprietor of Porritt Rainey Accountants
Alan Farmer - partner or sole proprietor of Daucus Consulting LLP
Gillian Davison - trustee of Edenbridge Voluntary Transport Service, Age UK Sevenoaks & Tonbridge, Sevenoaks Soroptimists, Edenbridge Council Trustees of Recreation Ground, The Norman Foundation, Blossoms Park Recreation Ground, Family Trust
Bryan Hughes - Shareholder of RQA Ltd
Derek Keegans - director of Bermondsey Street Residents Association
Roberta Fairclough - director of Ronley Court Management Co Ltd
Cameron Clark - director of New Ash Green Village Association Ltd, trustee of Parochial Church Council of St Peter & St Paul, Ash, Chairman of Chapel Wood Residents Society Ltd and Ash & New Ash Green branch of Sevenoaks Conservative Association

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers.

Societies must have a secretary

Name of Secretary

Month of Birth

Year of Birth

4.1 Please confirm that:

- accounts are being submitted with this form
- the accounts comply with relevant statutory and accounting requirements
- the accounts are signed by two members and the secretary (3 signatures in total)

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members

Turnover

Assets

Number of Employees

Share Capital

Highest rate of interest paid on shares

4.3 What Standard Industrial Classification code best describes the society's main business?

Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes [here](#)

SIC Code

Operation of sports facilities (93110)

*

Societies are required to appoint an auditor to audited unless they are small or have disappplied this requirement. For further guidance see chapter 7 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

5.1 Please select the audit option the society has complied with:

- Full Professional Audit
- Auditor's report on the accounts
- Lay Audit
- No audit

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

We have complied with the audit requirements

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

- Yes
 Not applicable

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

- Yes
 No

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

- Registered
 Not applicable

5.6 Is the society a housing association?

- No
 Yes

6.1 Is the society a subsidiary of another society?

- Yes
 No

6.2 Does the society have one or more subsidiaries?

(As defined in sections 100 and 101 of the Act)

- Yes
 No

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); or
- are conducting business for the benefit of the community ('community benefit society').

You must answer the questions set out in in the next section of this form, depending on which condition for registration you meet.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance [here](#).

7.1 Condition for Registration

- Co-operative society
- Community Benefits society

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

7B.1 What is the business of the society?

For example, did you provide social housing, run an amateur sports club etc.

The principal activity of the Society in the year under review was that of the provision of health, fitness and leisure services at Edenbridge Leisure Centre, Sevenoaks Leisure Centre, White Oak Leisure Centre and Lullingstone Park Golf Course

7B.2 Please describe the benefits to the community the society delivered?

Here we are looking to see what the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

The Society is committed to the ongoing improvement of community sport, leisure and culture in the areas which it operates. The Society recognises that any services it operates must provide good quality, inclusive, accessible, affordable sport, leisure and cultural activities that improve overall health and wellbeing.

7B.3 Please describe how the society's business delivered these benefits?

The business of the society must be conducted for the benefit of the community. Please describe how the society's business (as described in answer to question 7B.1) provided benefit to the community.

The Society will achieve this through well operated, well resourced facilities that adapt to the changing needs of the community it serves.

7B.4 Did the society work with a specific community, and if so, please describe it here?

For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

N/A

7B.5 What did the society do with any surplus or profit?

For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

Any surplus generated would be used to enhance the leisure facilities.

No dividend would be paid out to members.

7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest.

Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

N/A

REPORT OF THE MANAGEMENT BOARD AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
SEVENOAKS LEISURE LIMITED
T/A SENCIO COMMUNITY LEISURE LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2018

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SEVENOAKS LEISURE LIMITED

T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)

SOCIETY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

MANAGEMENT BOARD:

G Davison	- Co optee
J Parish	
S Gibbins	
K Stanley	- Resigned June 2018
D Hallam	
A Peal	
P Jobling	
C Clark	- Replaced May 2019
B Hughes	- Resigned April 2019
P Bosley	- Replaced May 2019
A Richardson	
A Farmer	
D Dharmenda	- Resigned May 2019
B Fairclough	
D Keegans	
T Philips	
J Jeffery	- Appointed September 2018
M McArthur	- Appointed May 2019
G Clack	- Appointed May 2019

SECRETARY: Mrs J Parish

REGISTERED/PRINCIPAL OFFICE: Sevenoaks Leisure Centre
Buckhurst Lane
SEVENOAKS
Kent
TN13 1LW

TRADING NAME: Scenio Community Leisure

REGISTERED NUMBER: 29665 R

AUDITORS: McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

SEVENOAKS LEISURE LIMITED

T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)

**REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 DECEMBER 2018**

The management board present their report with the financial statements of the Society for the year ended 31 December 2018. The financial statements comply with the Co-Operative and Community Benefit Societies Act 2014, the society rules, and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102) (effective 1 January 2015).

MANAGEMENT BOARD

The board members shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

G Davison	– Co optee
J Parish	– Chief executive
S Gibbins	
D Hallam	
A Peal	
P Jobling	– Staff representative
A Farmer	
B Fairclough	
D Keegans	
J Jeffery	– Staff representative
T Philips	

Other changes in board members holding office are as follows:

K Stanley	– Staff representative resigned June 2018
J Jeffery	– Staff representative Appointed September 2018
C Clark	– Council representative replaced May 2019
P Bosely	– Council representative replaced May 2019
G Clack	– Council representative appointed May 2019
M McArthur	– Council representative appointed May 2019
A Dharmendra	– Resigned May 2019

The interests of the board members holding office on 31 December 2018 in the issued share capital of the Society were as follows:

	31.12.18	1.1.18
Ordinary £5 shares		
G Davison	1	1
S Gibbins	1	1
K Stanley		1
D Hallam	1	1
A Peal	1	1
A Farmer	-	-
A Dhamenda	-	-
J Parish	1	1
P Jobling	1	1
B Hughes	-	-
C Clark	-	-
P Bosley	-	-
B Fairclough	-	-
D Keegans	-	-
A Richardson	-	-
T Philips	-	-
J Jeffery	1	-

REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 DECEMBER 2018

STRUCTURE GOVERNANCE AND MANAGEMENT

Board Structure and Management

According to its rules, the Society shall have a management board, which shall manage the business of the Society. The management board shall consist of up to 12 members who should be representative of the local community, users of the service and facilities offered by the Society and have a broad range of skills likely to contribute to the Society's success. The board of management met on 8 occasions during the course of the year, with executive management representatives, to consider the business of the Society. The Finance and General Purposes Sub Committee met once during the year. The day-to-day management of the Society is delegated to the Chief Executive who reports to the management board.

Governing Document

Sevenoaks Leisure Limited T/A Sencio Community Leisure was incorporated and registered as a Society in December 2003 and commenced trading in January 2004. It is governed by its rules.

Appointment of Board Members

In exercising its powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss members, the members shall seek to ensure that the board is representative of the local community and also comprises persons with a broad range of skills who are likely to contribute to the Society's success.

Board Members Induction and Training

As new members join the board they receive a full induction that is aimed at training them in their statutory responsibilities under charity and company law. This induction is reviewed regularly to ensure that it is up to date with any relevant changes. The induction would normally include:

- meeting with the chairman of the management board and chief executive
- tour of leisure centres and head office facility
- receiving copies of the Society rules
- receiving copies of business strategy documents
- receiving copies of corporate policies and documents

Organisation

The board members, who meet on average 6 times per year, have delegated the responsibility of administering the Society to an executive management team. The executive management team meets weekly and is made up as follows:

Chief Executive
Operations manager
Finance Manager
Human Resources Manager

Remuneration policy for key management personnel

When the Trust was originally established NJC bandings were adopted. However, benchmarking against other trusts in Kent and SPORTA have been used as a comparison exercise for developing the current remuneration policy for key management posts.

Related Parties

The Society has very close relationships through its contractual obligations with Sevenoaks District Council.

EQUITY OF EMPLOYMENT

The Society's policy is to give full and fair consideration to applications for employment by all persons, having regard to their particular aptitudes and abilities. Disabled employees and those with special needs receive appropriate training and adjustments are made if required. All staff are encouraged and helped to develop their career within the organisation.

**REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 DECEMBER 2018**

STRUCTURE GOVERNANCE AND MANAGEMENT continued

EMPLOYEE INVOLVEMENT

The Society has a policy of providing employees with information about the Society through staff meetings and the posting of updates on the staff information boards. Any contracted member of staff who has successfully passed their probationary period can become a Society member. This enables those members of staff who wish to become more involved in the running of the organisation to stand for election onto the management board. Once elected, these members of staff have a direct involvement in the running of the Society.

Risk Management

The management board have considered the risks presented to the Society and developed a risk register which is regularly reviewed and have implemented strategies, policies and systems to mitigate these risks. The Society will continue to manage these risks, through a series of performance reviews, monitoring and efficiency evaluation, to ensure that total expenditure remains less than total income. The management board have deemed the following risks to be of most serious consequence to the Society:

- Future of White Oak Leisure Centre
- Significant breach of contract
- Failure to successfully recruit and retain customers and members
- Non-compliance of health and safety resulting in major injury, health, safety or environmental incident
- Significant damage to property or properties

OBJECTIVES AND ACTIVITIES

The principal activity of the Society in the year under review was that of the provision of health, fitness and leisure services at the following leisure centres:

Edenbridge Leisure Centre
Sevenoaks Leisure Centre
White Oak Leisure Centre
Lullingstone Park Golf Course

The objects of the Society are:

- (a) To provide or assist in the provision of facilities in the interests of social and physical welfare for recreation or other leisure time occupation provided always that:
 - (i) Any such facilities as aforesaid are provided with the sole objects of improving the conditions of life primarily for these persons living or working in the district of Sevenoaks and its neighbouring and surrounding districts but also within the counties of Kent and Sussex and South East England generally.
 - (ii) Such facilities are to be available to the said persons generally at large.
- (b) To provide or assist in the provision of facilities for physical education development which will enable and encourage pupils and students of schools or establishments for the provision of further and higher education to play games and sports and thereby to assist in ensuring that due attention is given to the physical education and development of such pupils and students as well as to the development and occupation of their minds and with a view to furthering this object to provide or assist in the provision of the use of such pupils and students of:
 - (i) Games or sports equipment of every kind
 - (ii) Courses, lectures and demonstrations and coaching; and
 - (iii) Playing fields or appropriate outdoor or indoor facilities or education
- (c) To provide such exclusively charitable purposes for the general benefit of the inhabitants of the area of benefit as the Society shall in its absolute discretion think fit.

**REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 DECEMBER 2018**

OBJECTIVES AND ACTIVITIES continued

How Our Activities Deliver Public Benefit

The Society is committed to the on-going improvement of the community sport, leisure and culture in the areas which it operates. The Society will achieve this through well operated, well-resourced facilities that adapt to the changing needs of the community it serves. The Society recognises that any services it operates must provide good quality, inclusive, accessible, affordable sport, leisure and cultural activities that improve overall health and wellbeing.

The management board confirm that they have complied with the duties in Section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the Charity Commission general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the board of management consider how planned activities will contribute to the aims and objectives that they have set.

ACHIEVEMENTS AND PERFORMANCE

The Society has successfully completed its fifteenth year of trading. The main focus of the year was the completion of the health and fitness refurbishment project at Sevenoaks Leisure Centre which has been an aspiration of the Society for a number of years. Work commenced in September 2017, and the new fitness gym opened in February 2018 a month behind schedule. Unfortunately, the opening of the new dance studio was delayed following a leak in the roof and finally opened in June.

One of the Society's strategic objectives is to generate 40% of its turnover through memberships with a focus on direct debits. In 2018, 46% of its turnover was generated from membership income, with direct debit income increasing by 29% on the 2017 figure. Overall membership numbers grew by 24% during the year, the biggest growth being Wellness members at Sevenoaks and Edenbridge – 31% and 17% respectively whilst there was a 19% increase in the Feel Good Suite at White Oak. Swimming lessons direct debit memberships were launched November 2017 and during 2018 the direct debit payment option for swimming lessons increased by 98%.

Total throughput for the year was 892,119 which is a 2% increase on the 2017 figure. This is mainly due to the increase in usage of both fitness and swimming – the hot summer helped contribute to more customers wishing to swim. Usage for traditional sports such as badminton and squash continue to decline although special promotions run through the school holidays helped to attract customers. Each centre continues to host events, the majority of which are held at White Oak as it is the largest centre, ranging from Triathlons, swimming galas, street dance events to cat shows. Each centre also hosts a number of sports clubs, each leisure centre having its own swimming club. Work has continued in building relationships with third parties enabling new activities to be offered such as nerf guns, go karting and even astronomy workshops. Throughout the year roller skating discos are run at Sevenoaks in partnership with a third party and these have now been extended during the school holidays to White Oak and hopefully eventually Edenbridge.

On 28th April 2018, Sevenoaks Leisure Centre suffered an electrical fire. Luckily very little damage was caused although the fire resulted in the combined heat and power unit (CHP) being out of use for 6 months. This caused considerable increase in utility costs and the resultant insurance claim took 7 months to finalise.

In line with the industry as a whole, demand for health and fitness activities continues to grow and overall there was an 11% increase in usage in 2018 compared to 2017. The main increase being at Sevenoaks (26.5%) as a result of the opening of the new refurbished health and fitness facilities. Whilst the opening of the new facilities was a great success, the decision by the Council to close the car park adjacent to the centre for 15 months, 1 month after the new gym had opened in order to build a new multi storey car park, had an enormous detrimental effect on customers as parking was extremely difficult. Membership numbers for Wellness ended the year with 4,624 compared to 3,751 the year before whilst golf ended with 223 an increase of 18% on 2017. Usage of the Feel Good suite increased through the year and there are approximately 200 members. The Society continues to work closely with Sevenoaks District Council and working in partnership with the One You advisers referrals are made for deconditioned residents or those on the Why Weight Scheme to access the facilities at discounted rates.

**REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 DECEMBER 2018**

In line with society as a whole, more customers are booking their activities on line. Of the total of number of bookings made across all sites 37% are made on line. As well as the ability to book on line direct at the golf centre, customers can also access a third party which offer tee times at a number of golf courses. This has resulted in 13% of customers booking tee times on line. With the demand for exercise classes and the introduction of the Les Mills class franchise 54% of bookings are made on line at Sevenoaks, and 23% at Edenbridge the majority of which are for classes.

Throughout the year the Council continued with its Feasibility Study regarding the future of White Oak. Whilst this is still being considered, the Council's strategy is to only undertake essential repairs which are a health and safety issue. This is impacting on the overall operation of the centre and some items of plant are at the end of their expected life cycle.

Although the main focus during the year was the refurbishment of the fitness facilities at Sevenoaks a number of smaller refurbishment projects were undertaken in-house such as installation of LED lighting in the swimming pools at Edenbridge and Sevenoaks. New wi-fi hubs along with upgraded data lines were installed in all centres.

FINANCIAL REVIEW

The results for the year are set out in the annexed financial statements. The main focus during the year was to continue to concentrate on the core business of the Society and to continue to focus on the strategic objective of increasing income generated from memberships. With the late completion of the new dance studio at Sevenoaks the new fitness class programme could not be introduced until October. In addition the closure of the car park in Sevenoaks had a significant impact on the financial performance of the centre.

In April Sevenoaks leisure centre suffered an electrical fire and although only closed for one day, it took 6 months for a piece of plant to be replaced resulting in utility costs being much higher than normal. The subsequent insurance claim was still outstanding at the end of the year which affected the Society's cash balance.

Reserves Policy

The management board have considered the risks and opportunities presented to the Society and identified the level of reserves it would be prudent to maintain. The board has determined that this level would be 5% of income and will continue to implement the 3-4 year financial plan to achieve this.

Financial Management

The executive management team prepared the annual operational budget for the Society for 2019 and this was approved in December by the management board prior to the commencement of the financial year.

The management board receive monthly reports on the financial performance of the Society. These reports include an income and expenditure statement compared to budget and last year for the month and year to date. The cash flow forecasts and actuals are also reported. In 2018, further monthly KPIs were formulated around key areas of the business which the board receive and are compared to budget and previous year.

All funds are generated through receipts from customers or from contractual deficit funding provided by the local authority. The majority of funds are spent on staffing, utilities and facility/equipment maintenance and improvement. Expenditure of these funds supports the key community objectives of the Society and the continued investment in improved services and facilities for the community. During 2018, new data lines and customer wi-fi hubs were installed in the leisure centres and work commenced on a new website in December.

FUNDS IN DEFICIT

At the year end the Society has funds in deficit of £3,705,071 (2017: £4,262,163), this is after accounting for the deficit on the Society's defined benefit pension scheme. It should be noted however that this deficit will not crystallise in the foreseeable future and that the Society follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the Society's budget for the year ending 31 December 2018.

Excluding the pension fund deficit the Society has funds in deficit of £556,071 (2017: £309,163) and the board and senior management team have set a budget that seeks to reduce this deficit to nil in the next 3-4 years.

REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 DECEMBER 2018

GOING CONCERN

Early in 2018, the Society was faced with a major challenge when the Council decided to close one of its car parks in Sevenoaks whilst extending it just as the new refurbished gym was about to open. This put considerable strain on the availability of car parking at the centre and continued to do so until the car park works we completed and the new car park opened in April 2019. With the opening of the new car park usage and income of the new fitness facilities has increased in line with the original business plan with membership growing by 20%. We believe that the Society's financial statements should be prepared on a going concern basis on the grounds that the Society's bankers have pledged to support our cash flow requirements in the short term with an unofficial overdraft facility. We consider that current and future sources of revenue will be adequate for the Society's needs. Accordingly, the management board consider that the Society will continue for the foreseeable future and therefore continue to adopt the going concern basis in preparing the annual report and accounts.

PLANS FOR FUTURE PERIODS

Sevenoaks District Council will be undertaking a feasibility study into the future development of Edenbridge Leisure Centre. Edenbridge Town Council have identified and committed funding to extend the fitness gym. With memberships reaching circa 1000 at the centre, the current gym is not large enough to cater for the demand and with two new housing developments taking place in the town, demand is likely to increase even more. In July 2019 the current fitness gym was refurbished and new fitness equipment installed which has seen a 20% increase in memberships. Late in December 2019, it is anticipated that the new software for swimming lessons will be installed by our front of house provider Delta, which will enable the society to operate continual assessment for swimming lessons from 2020. The future management of the new White Oak Leisure Centre will be subject to procurement. It is anticipated that the new centre will open Autumn 2021.

FUNDRAISING

The Management Board are responsible for ensuring that the charity operates within a responsible, sustainable financial framework and that it has adequate resources to carry out its role in educating residents in the local community. While the Management Board may delegate many of the operations of fundraising to other parts of the organisation, they retain the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

In carrying out fundraising, the Society adheres to the following standards:

- The Management Board will have regard to the Charity Commission's publication 'Charity Fundraising' (CC20).
- Fundraising activities carried out by the charity will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the Society's stated mission and purpose.
- The Society will comply with GDPR Legislation in relation to all personal data collected.
- Nobody directly or indirectly employed by or volunteering for the Society shall accept commissions, bonuses or payments for fundraising activities.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the Society.
- All Management Board members, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the Society to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF MANAGEMENT BOARD'S RESPONSIBILITIES

The Management Board are responsible for preparing the Report of the Management Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Including Financial Reporting Standard 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).

Society law requires the Management Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the incoming resources and application of resources, including the income and expenditure, of the Society for that period. In preparing these financial statements, the Management Board are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and accounting 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Management Board are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Co-Operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Management Board are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Society's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

ON BEHALF OF THE BOARD:


.....
A Peal – Board member
Date: 27 August 2019


.....
S Gibbins – Board member


.....
J Parish – Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SEVENOAKS LEISURE LIMITED
T/A SENCIO COMMUNITY LEISURE LIMITED

Opinion

We have audited the financial statements of Sevenoaks Leisure Limited t/a Sencio Leisure Limited for the year ended 31 December 2018, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

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 financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

Material uncertainty related to going concern

We draw attention to note 1 of the financial statements which explains that the Society is meeting its liabilities as they fall due with the forbearance of its bankers. The Society's current liabilities exceed its current assets. This and the matters referred to in note 1 indicate that a material uncertainty exists that may cast significant doubt on the Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The management board is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SEVENOAKS LEISURE LIMITED
T/A SENCIO COMMUNITY LEISURE LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where with the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board of management

As explained more fully in the management board's responsibilities statement set out on page 7, management board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the society'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 committee of management either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

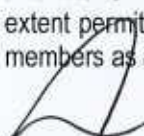
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

Uses of this report

This report is made solely to the Society's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 27 August 2019

SEVENOAKS LEISURE LIMITED**T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)****STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31.12.18 Unrestricted funds £	31.12.18 Restricted funds £	31.12.18 Defined benefit pension unrestricted fund £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME FROM						
Charitable activities:						
Operation of leisure sites	2	4,755,084	-	-	4,755,084	4,763,089
Investment income	3	17	-	-	17	8
Total		4,755,101	-	-	4,755,101	4,763,097
EXPENDITURE ON						
Charitable activities:						
Operation of leisure sites	7	4,992,514	9,500	512,000	5,514,014	5,193,636
Total		4,992,514	9,500	512,000	5,514,014	5,193,636
NET (EXPENDITURE)		(237,413)	(9,500)	(512,000)	(758,913)	(430,539)
Transfers between funds		-	-	-	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit scheme	17	-	-	1,316,000	1,316,000	871,000
Other movement in funds:						
Shares issued	16	5	-	-	5	-
Net movement in funds		(237,408)	(9,500)	804,000	557,092	440,461
RECONCILIATION OF FUNDS						
Total funds brought forward	20	(404,163)	95,000	(3,953,000)	(4,262,163)	(4,702,624)
TOTAL FUNDS CARRIED FORWARD	20	(641,571)	85,500	(3,149,000)	(3,705,071)	(4,262,163)

None of the Society's activities were acquired or discontinued during the current year or previous year.

The statement of financial activities includes all gains and losses recognised during the year.

The notes form part of these financial statements

SEVENOAKS LEISURE LIMITED**T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)****BALANCE SHEET**
31 DECEMBER 2018

		31.12.18		31.12.17	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		1,252,039		921,778
CURRENT ASSETS					
Stocks	9	33,398		27,048	
Debtors	10	95,981		75,038	
Cash at bank and in hand		<u>4,677</u>		<u>176,882</u>	
		134,056		278,968	
CREDITORS					
Amounts falling due within one year	11	<u>821,045</u>		<u>1,007,434</u>	
NET CURRENT LIABILITIES			<u>(686,989)</u>		<u>(728,466)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			565,050		193,312
CREDITORS					
Amounts falling due after more than one year	12		(1,121,121)		(502,475)
NET LIABILITIES BEFORE PENSION LIABILITY			<u>(556,071)</u>		<u>(309,163)</u>
CAPITAL AND RESERVES					
PENSION LIABILITY	17		3,149,000		3,953,000
CAPITAL AND RESERVES					
Share capital	15	115		110	
Unrestricted funds	16	(3,790,686)		(4,357,273)	
Restricted funds	16	<u>85,500</u>		<u>95,000</u>	
FUNDS	20		<u>(3,705,071)</u>		<u>(4,262,163)</u>
			<u>(556,071)</u>		<u>(309,163)</u>


The notes form part of these financial statements


BALANCE SHEET - continued

31 DECEMBER 2018

The financial statements were approved by the Board of Management on 27 August 2019 and were signed on its behalf by:


.....
A Peal
Board Member


.....
J Parish
Secretary


.....
S Gibbins
Board Member

SEVENOAKS LEISURE LIMITED**T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)****CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31.12.18 £	31.12.17 £
Cash flows from operating activities			
Cash generated from operations	1	149,904	401,335
Interest paid		<u>(84,127)</u>	<u>(61,098)</u>
Net cash from operating activities		<u>65,777</u>	<u>340,237</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(805,988)	(391,439)
Sale of tangible fixed assets		-	2,249
Interest received		<u>17</u>	<u>8</u>
Net cash used in investing activities		<u>(805,971)</u>	<u>(389,182)</u>
Cash flows from financing activities			
New loans in year		405,803	381,334
Loan repayments in year		(62,469)	(47,709)
New HP advances		274,000	146,744
Capital repayments in year		(183,446)	(150,245)
Share issue		<u>5</u>	<u>-</u>
Net cash from financing activities		<u>433,893</u>	<u>330,124</u>
(Decrease) / Increase in cash and cash equivalents		(306,301)	281,179
Cash and cash equivalents at beginning of year	2	<u>176,882</u>	<u>(104,297)</u>
Cash and cash equivalents at end of year	2	<u>(129,419)</u>	<u>176,882</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. RECONCILIATION OF NET(EXPENDITURE) TO CASH GENERATED FROM OPERATIONS

	31.12.18	31.12.17
	£	£
Net (expenditure)	(758,913)	(430,539)
Depreciation charges	317,479	194,206
(Surplus) / loss on disposal of fixed assets	158,248	-
Pension service cost	407,000	342,000
Finance costs	189,127	185,098
Finance income	<u>(17)</u>	<u>(8)</u>
	312,924	290,757
(Increase) / Decrease in stocks	(6,350)	8,896
Decrease in trade and other debtors	(20,943)	24,008
(Decrease) / Increase in trade and other creditors	<u>(135,727)</u>	<u>77,674</u>
Cash generated from operations	<u>149,904</u>	<u>401,335</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>(129,419)</u>	<u>176,882</u>

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>176,882</u>	<u>(104,297)</u>

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

1. ACCOUNTING POLICIES

Statutory information

Sevenoaks Leisure Limited is a registered society. The Society's registered number and registered office address can be found under reference and administrative details in the report of the Management Board.

Going Concern

Under Financial Reporting Standard 102 the deficit on the Society's pension scheme is included in the financial statements and the Society's reserves have therefore been reduced by the pension deficit creating net liabilities of £3,705,071 (2017: net liabilities of £4,262,163) at the year end. The board continue to ensure that contributions to the pension scheme are made in accordance with the actuaries' recommendations.

The Society has experienced cash flow difficulties in the new financial year and continues to meet its liabilities as they fall due with the assistance of the Society's bankers who have pledged to support the Society's cash flow requirements in the short term with an unofficial overdraft facility. With the completion of the car park works at Sevenoaks Leisure Centre the board is confident that it is appropriate to adopt the going concern basis in preparing these financial statements.

Statement of compliance

The Society constitutes a Public Benefit Entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable entities preparing their accounts in accordance with the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Co-operative and Community Benefit Society Act 2014. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Income

Items of income are recognised and included in the accounts when all of the following criteria are met:

- i. The Society has entitlement to the funds;
- ii. any performance conditions attached to the items of income have been met or are fully within the control of the Society;
- iii. there is sufficient certainty that receipt of the income is considered probable; and
- iv. the amount can be measured reliably.

Income represents net sales of goods and services, excluding Value Added Tax and discounts to customers and management fees from Sevenoaks District Council. Income received in respect of future events has been deferred and will be released when the event is complete or over the period to which the income relates. Membership income is deferred over the period of membership.

Grants Receivable and Management Fees

Grants receivable and management fees in respect of a specified period relating to the general activities of the Society are recognised in the income and expenditure account in the period in which they become receivable.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Resources expended include attributable VAT, which cannot be recovered. Irrecoverable VAT relating to fixed assets is capitalised and written off to the income and expenditure account over the expected useful life of the asset.

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

1. ACCOUNTING POLICIES - continued

Support costs

Support costs are those that assist the work of the Society but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the Society. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fund accounting

Unrestricted funds are available for use at the discretion of the Society in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Management Board for particular purposes. The aim and use of each designated fund, where relevant, is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund, where relevant, is set out in the notes to the financial statements.

Taxation

The Society is exempt from corporation tax on its charitable activities. Where the Society conducts trading activities corporation tax is charged on the profits arising from these activities.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost (including any irrecoverable VAT), net of depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Depreciation is calculated on a monthly basis from date of acquisition.

Plant and Machinery	- over 3/4/5/7/10 years
Fixtures and Fittings	- over 4/5/7/10 years or remaining term of lease
Motor Vehicles	- over 3 years
Computer Equipment	- over 3/4/5/10 years

Stocks

Goods for resale are valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the income and expenditure account over the relevant period. The capital element of the future payments is treated as a liability. Rentals paid under operating leases are charged to the income and expenditure on a straight-line basis over the period of the lease.

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

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The Society operates a defined benefit plan for the benefit of its employees. A liability for the Society's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. The assets of the scheme are held in a separately administered fund.

Service concession arrangements

The Society has a service contract with a Local Authority for the maintenance and operation of leisure centres owned by the Authority to which it has lease and management service contracts. The Authority has the rights under the contract to specify the activities offered by the centres and has no influence on the prices charged for them and also may have certain exclusive rights for the use of the centres at certain times. The contracts specify minimum standards for the services to be provided.

Property, plant and equipment

The buildings and plant at the centre are leased to the Society as part of the overall contractual relationship with the Authority but the Authority maintains ultimate control of these assets. Accordingly, the access, which the Society has in the use of these assets, is to enable it to operate the leisure facilities, so that the Society can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Society's balance sheet.

Onerous contract

Where it is considered that the unavoidable costs of meeting the obligations, under a contract exceed the economic benefits expected to be received under that contract, a provision is made for such costs. In 2014 the Society entered into a finance lease to acquire a tractor. The tractor was stolen and the Society will continue to pay the finance lease up to March 2019.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The net book value of tangible fixed assets is based on assumptions related to the useful life of the assets, impacting on the depreciation basis used. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

A number of actuarial assumptions are used to quantify the Society's pension liability in respect of defined benefit pension schemes. Further information concerning these assumptions can be found in note 17.

Functional currency and presentation currency

The company's functional currency is British Pound Sterling (GBP), which is also the presentation currency for the company. The financial statements are therefore presented in British Pound Sterling.

Society status

The Society is a Co-operative and Community Benefit Society.

SEVENOAKS LEISURE LIMITED**T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)****NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. INCOME FROM OPERATION OF LEISURE SITES	31.12.18	31.12.17
	£	£
Leisure centre income	4,705,634	4,600,138
Grants	20,000	115,000
Management fees	29,450	47,951
	<u>4,755,084</u>	<u>4,763,089</u>
3. INVESTMENT INCOME	31.12.18	31.12.17
	£	£
Deposit account interest	<u>17</u>	<u>8</u>
4. STAFF COSTS	31.12.18	31.12.17
	£	£
Wages and salaries	2,625,688	2,544,348
Social security costs	119,193	139,813
Other pension costs	610,984	554,601
	<u>3,355,865</u>	<u>3,238,762</u>

The total amount of employee benefits received by key management personnel is £76,400 (2017: £75,900).
The Trust considers its key management personnel to comprise the CEO.

The average monthly number of employees during the year was as follows:

31.12.18	31.12.17
<u>351</u>	<u>304</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2018	2017
	No.	No.
£70,000 - £80,000	1	1

The above member of staff was accruing benefits under a defined benefit scheme

SEVENOAKS LEISURE LIMITED

T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. STAFF COSTS - continued

	31.12.18	31.12.17
Board Members remuneration and other benefits etc.	<u>142,257</u>	<u>142,796</u>

The number of Members of the Management Board to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>3</u>	<u>3</u>
-------------------------	----------	----------

No member of the board of management received any allowance for attendance. The emoluments shown are the salaries of those members of the board of management who are employees of the Society.

During the year, no expenses were paid to members of the board of management (2017 £nil).

5. NET (EXPENDITURE)

Net expenditure (2017 – Net expenditure) is stated after charging:

	31.12.18	31.12.17
	£	£
Plant hire	31,553	28,192
Depreciation - owned assets	106,093	90,049
Depreciation - assets on hire purchase contracts	211,386	104,361
(Gain) / loss on disposal of fixed assets	158,248	-
Auditors remuneration	7,285	9,300
Auditors remuneration for non-audit work	<u>5,645</u>	<u>1,000</u>

6. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2018 nor for the year ended 31 December 2017.

The Society is an exempt charitable organisation within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable organisation for UK corporation tax purposes.

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

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs	Staff Costs	Support Costs	2018 Total Charitable Activities	2017 Total Charitable Activities
	£	£	£	£	£
Leisure Centres	<u>948,401</u>	<u>3,355,865</u>	<u>1,209,748</u>	<u>5,514,014</u>	<u>5,193,636</u>

Major components of Support Costs

	Year Ended 31.12.18 £	Year Ended 31.12.17 £
Overheads	806,212	505,134
Telephone	12,255	13,239
Computer expenses	69,650	65,370
Repairs and maintenance	200,508	218,091
Marketing	80,012	95,647
Consultancy	27,647	13,367
Motor & Travel	8,764	8,698
Legal & Professional	<u>4,700</u>	<u>5,513</u>
	<u>1,209,748</u>	<u>925,059</u>

All support costs relate to the sole activity of the Charity, being the provision of leisure facilities.

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 January 2018	862,431	649,493	2,392	747,510	2,261,826
Additions	290,518	515,470	-	-	805,988
Disposals	<u>(256,472)</u>	<u>(309,869)</u>	<u>-</u>	<u>(212,258)</u>	<u>(778,599)</u>
At 31 December 2018	<u>896,477</u>	<u>855,094</u>	<u>2,392</u>	<u>535,252</u>	<u>2,289,215</u>
DEPRECIATION					
At 1 January 2018	690,465	222,696	2,392	424,495	1,340,048
Charge for year	133,966	74,921	-	108,592	317,479
Eliminated on disposal	<u>(256,472)</u>	<u>(151,621)</u>	<u>-</u>	<u>(212,258)</u>	<u>(620,351)</u>
At 31 December 2018	<u>567,959</u>	<u>145,996</u>	<u>2,392</u>	<u>320,829</u>	<u>1,037,176</u>
NET BOOK VALUE					
At 31 December 2018	<u>328,518</u>	<u>709,098</u>	<u>-</u>	<u>214,423</u>	<u>1,252,039</u>
At 31 December 2017	<u>171,966</u>	<u>426,797</u>	<u>-</u>	<u>323,015</u>	<u>921,778</u>

Fixed assets owned by Sevenoaks District Council, which the Society has free use of have not been included in these financial statements as they are deemed to be of negligible value.

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

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts, are as follows:

	Plant and machinery £	Office equipment £	Totals £
COST			
At 1 January 2018	328,980	522,192	851,172
Additions	<u>290,518</u>	<u>-</u>	<u>290,518</u>
At 31 December 2018	<u>619,498</u>	<u>522,192</u>	<u>1,141,690</u>
DEPRECIATION			
At 1 January 2018	175,659	167,036	342,695
Charge for year	102,793	108,593	211,386
Reclassification/transfer	<u>-</u>	<u>32,140</u>	<u>32,140</u>
At 31 December 2018	<u>278,452</u>	<u>307,769</u>	<u>586,221</u>
NET BOOK VALUE			
At 31 December 2018	<u>341,046</u>	<u>214,423</u>	<u>555,469</u>
At 31 December 2017	<u>153,321</u>	<u>355,156</u>	<u>508,477</u>

9. STOCKS

	31.12.18 £	31.12.17 £
Stocks	<u>33,398</u>	<u>27,048</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18 £	31.12.17 £
Trade debtors	28,512	49,466
Other debtors	35,248	2,328
Prepayments and accrued income	<u>32,221</u>	<u>23,244</u>
	<u>95,981</u>	<u>75,038</u>

SEVENOAKS LEISURE LIMITED**T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)****NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018****11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18	31.12.17
	£	£
Bank loans and overdrafts	134,096	-
Other loans (see note 13)	60,062	212,883
Hire purchase contracts (see note 14)	135,288	167,225
Trade creditors	97,685	214,846
Other creditors	38,145	29,454
Other Taxes and PAYE	47,462	48,247
Accrued expenses and deferred income	308,291	334,221
Onerous contract provision	<u>16</u>	<u>558</u>
	<u>821,045</u>	<u>1,007,434</u>

Included within accruals and deferred income are the following balances:

	31.12.18	31.12.17
	£	£
Deferred Income at 1 January 2018	160,850	201,871
Resources deferred in the period	156,829	160,850
Amounts released from previous periods	<u>(160,850)</u>	<u>(201,871)</u>
	<u>156,829</u>	<u>160,850</u>

The deferred income balances relate to memberships, courses and parties paid for in advance.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.18	31.12.17
	£	£
Other loans (see note 13)	673,307	177,152
Hire purchase contracts (see note 14)	<u>447,814</u>	<u>325,323</u>
	<u>1,121,121</u>	<u>502,475</u>

13. LOANS

An analysis of the maturity of loans is given below:

	31.12.18	31.12.17
	£	£
Amounts falling due within one year or on demand:		
Bank overdraft	134,096	-
Other loans - less than 1 yr	<u>60,062</u>	<u>212,883</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>64,475</u>	<u>15,132</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>608,832</u>	<u>162,020</u>

SECURITY

The bank holds a debenture over all the assets of the Society dated 26 January 2012.

SEVENOAKS LEISURE LIMITED**T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)****NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018****14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	Hire purchase contracts	
	31.12.18	31.12.17
	£	£
Net obligations repayable:		
Within one year	135,288	167,225
Between one and five years	<u>447,814</u>	<u>325,323</u>
	<u>583,102</u>	<u>492,548</u>

The following operating lease payments are committed to be paid within each time step:

	Other operating leases	
	31.12.18	31.12.17
	£	£
Amounts payable:		
Within one year	26,714	34,728
Between one and five years	<u>11,821</u>	<u>25,901</u>
	<u>38,535</u>	<u>60,629</u>

15. CALLED UP SHARE CAPITAL

Allotted and issued:			31.12.18	31.12.17
Number:	Class:	Nominal value:	£	£
23	Ordinary	£5	115	110
(31.12.17 - 22)			<u> </u>	<u> </u>

1 ordinary shares were allotted during the year (2017: nil) and no shares were surrendered (2017: nil).

16. MOVEMENT IN FUNDS

	At 1.1.18	Net movement in funds	At 31.12.18
	£	£	£
Funds			
Unrestricted funds	(4,357,273)	566,587	(3,790,686)
Restricted funds	95,000	(9,500)	85,500
Share capital	<u>110</u>	<u>5</u>	<u>115</u>
TOTAL FUNDS	<u>(4,262,163)</u>	<u>557,092</u>	<u>(3,705,071)</u>

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

16. **MOVEMENT IN FUNDS – continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Funds				
Unrestricted funds	4,755,101	(5,504,514)	1,316,000	566,587
Restricted funds	-	(9,500)	-	(9,500)
Share capital	5	-	-	5
	<u>4,755,106</u>	<u>(5,514,014)</u>	<u>1,316,000</u>	<u>557,092</u>

Restricted funds

In 2017 the Society received a grant of £95,000 from Sevenoaks Town Council. In accordance with the terms of the agreement this grant has been used to part fund the conversion of the toddler pool to a multi-purpose room Sevenoaks Leisure Centre. Depreciation charges will be allocated against this grant income in future years to match the cost expansion over the useful economic life of the improved facilities.

COMPARATIVE MOVEMENT IN FUNDS

	At 1.1.17 £	Net movement in funds £	At 31.12.17 £
Funds			
Unrestricted funds	(4,702,734)	345,461	(4,357,273)
Restricted funds	-	95,000	95,000
Share capital	110	-	110
TOTAL FUNDS	<u>(4,702,624)</u>	<u>440,461</u>	<u>(4,262,163)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Funds				
Unrestricted funds	4,668,097	(5,193,636)	871,000	345,461
Restricted funds	95,000	-	-	95,000
Share capital	-	-	-	-
	<u>4,763,097</u>	<u>(5,193,636)</u>	<u>871,000</u>	<u>440,461</u>

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

17. EMPLOYEE BENEFIT OBLIGATIONS

The Society operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2017 and updated to 31 December 2018 by a qualified independent actuary.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.12.18	31.12.17
	£	£
Present value of funded obligations	(14,224,000)	(15,321,000)
Fair value of plan assets	<u>11,075,000</u>	<u>11,368,000</u>
	(3,149,000)	(3,953,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(3,149,000)</u>	<u>(3,953,000)</u>
Net liability	<u>(3,149,000)</u>	<u>(3,953,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.12.18	31.12.17
	£	£
Service cost	623,000	555,000
Net interest on the defined liability	100,000	119,000
Administration expenses	<u>5,000</u>	<u>5,000</u>
	<u>728,000</u>	<u>679,000</u>
Actual return on plan assets	<u>386,000</u>	<u>1,446,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.12.18	31.12.17
	£	£
Opening defined benefit obligation	15,321,000	14,154,000
Current service cost	623,000	555,000
Contributions by scheme participants	98,000	95,000
Interest cost	397,000	394,000
Change in financial assumptions	(1,999,000)	113,000
Change in demographic assumptions	-	(108,000)
Benefits paid	(216,000)	(243,000)
Experience loss / (gain) on defined benefit	<u>-</u>	<u>361,000</u>
	<u>14,224,000</u>	<u>15,321,000</u>

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

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.12.18	31.12.17
	£	£
Opening fair value of scheme assets	11,368,000	9,796,000
Interest on assets	297,000	275,000
Return on assets less interest	(683,000)	1,171,000
Other actuarial gain/(losses)	-	66,000
Administration expenses	(5,000)	(5,000)
Contributions by employer	216,000	213,000
Contributions by scheme participants	98,000	95,000
Benefits paid	<u>(216,000)</u>	<u>(243,000)</u>
	<u>11,075,000</u>	<u>11,368,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.18	31.12.17
	£	£
Return on fund assets in excess of interest	(683,000)	1,171,000
Other actuarial gain/(losses) on assets	-	66,000
Changes in financial assumptions	1,999,000	(113,000)
Changes in demographic assumptions	-	108,000
Experience gain/(losses) on defined benefit obligation	<u>-</u>	<u>(361,000)</u>
	<u>1,316,000</u>	<u>871,000</u>
Cumulative amount of actuarial gains/(losses)	<u>(1,277,000)</u>	<u>(2,593,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.12.18	31.12.17
	£	£
Equities	7,608,000	7,719,000
Gilts	80,000	88,000
Bonds	983,000	1,069,000
Property	1,328,000	1,397,000
Cash	216,000	282,000
Target Return Portfolio	<u>860,000</u>	<u>813,000</u>
	<u>11,075,000</u>	<u>11,368,000</u>

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

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.12.18	31.12.17
Discount rate	2.85%	2.60%
Future salary increases	3.85%	4.20%
Future pension increases	2.35%	2.70%
RPI Increases	3.35%	3.60%
CPI increase	2.35%	2.70%

Amounts for the current and previous four periods are as follows:

	31.12.18	31.12.17	31.12.16	31.12.15	31.12.14
	£	£	£	£	£
Defined benefit pension plans					
Defined benefit obligation	(14,224,000)	(15,321,000)	(14,154,000)	(9,941,000)	(10,014,000)
Fair value of scheme assets	11,075,000	11,368,000	9,796,000	8,220,000	7,833,000
Deficit	(3,149,000)	(3,953,000)	(4,358,000)	(1,721,000)	(2,181,000)
Experience adjustments on scheme liabilities	-	-	-	-	-
Experience adjustments on scheme assets	-	-	-	-	(61,000)

Sensitivity analysis

	£000's +0.1%	£000's 0.0%	£000's -0.1%
Adjustment to discount rate			
Present value of total obligation	13,929	14,224	14,526
Projected service cost	517	529	541
Adjustment to long-term salary increase			
Present value of total obligation	14,246	14,224	14,203
Projected service cost	529	529	529
Adjustment to pension increases and deferred revaluation			
Present value of total obligation	14,505	14,224	13,948
Projected service cost	542	529	517
Adjustment to mortality age rating assumption			
Present value of total obligation	14,744	14,224	13,723
Projected service cost	546	529	513

The projected employer contributions for the year to 31 December 2019 is £216,000.

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

18. RELATED PARTY DISCLOSURES

Owing to the nature of the Society's operations and the composition of the management board being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the board has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Society's financial regulations and normal procurement procedures.

During the year under review E Parish daughter of CEO J Parish was paid £1,845 (2017: £nil) in her role as an employee. J Parish was not involved in the recruitment of E Parish.

19. ULTIMATE CONTROLLING PARTY

Its members ultimately control the Society.

20. RECONCILIATION OF MOVEMENTS IN FUNDS

	31.12.18	31.12.17
	£	£
Net (expenditure) / income for the financial year	(758,913)	(430,539)
Other recognised gains and losses relating to the year (net)	1,316,000	871,000
Movements in share capital	<u>5</u>	<u>-</u>
Net addition / (reduction) to funds	557,092	440,461
Opening funds	<u>(4,262,163)</u>	<u>(4,702,624)</u>
Closing funds	<u>(3,705,071)</u>	<u>(4,262,163)</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	1,166,539	85,500	1,252,039
Current assets	134,056	-	134,056
Current liabilities	(821,045)	-	(821,045)
Long term liabilities	(1,121,121)	-	(1,121,121)
Pension scheme liability	<u>(3,149,000)</u>	<u>-</u>	<u>(3,149,000)</u>
Total net assets	<u>(3,790,571)</u>	<u>85,500</u>	<u>(3,705,071)</u>

COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	826,778	95,000	921,778
Current assets	278,968	-	278,968
Current liabilities	(1,007,434)	-	(1,007,434)
Long term liabilities	(502,475)	-	(502,475)
Pension scheme liability	<u>(3,953,000)</u>	<u>-</u>	<u>(3,953,000)</u>
Total net assets	<u>(4,357,163)</u>	<u>95,000</u>	<u>(4,262,163)</u>

SEVENOAKS LEISURE LIMITED

T/A SENCIO COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: 29665 R)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	31.12.17 Unrestricted fund	31.12.17 Restricted fund	31.12.17 Defined benefit pension unrestricted fund	31.12.17 Total funds
	£	£	£	£
Income:				
<i>Income from charitable activities:</i>				
Operation of leisure sites	4,668,089	95,000	-	4,763,089
Investment income	8	-	-	8
Total incoming resources	<u>4,668,097</u>	<u>95,000</u>	<u>-</u>	<u>4,763,097</u>
Expenditure:				
<i>Expenditure on charitable activities:</i>				
Operation of leisure sites	4,727,636	-	466,000	5,193,636
Total expenditure	<u>4,727,636</u>	<u>-</u>	<u>466,000</u>	<u>5,193,636</u>
Net income / (expenditure)	(59,539)	95,000	(466,000)	(430,539)
<i>Other recognised gains / (losses):</i>				
Actuarial gains / (losses) on defined benefit Pension scheme	-	-	871,000	871,000
<i>Other movements in funds:</i>				
Shares issued / (cancelled)	-	-	-	-
Net movement in funds	(59,539)	95,000	405,000	440,461
Reconciliation of funds				
Total funds brought forward	(344,624)	-	(4,358,000)	(4,702,624)
Total funds carried forward	<u>(404,163)</u>	<u>95,000</u>	<u>(3,953,000)</u>	<u>(4,262,163)</u>