

## **CABINET**

**8 MAY 2018**

### **EXPRESSION OF INTEREST IN RELATION TO DEANGATE RIDGE GOLF COURSE**

Portfolio Holder: Councillor Howard Doe, Deputy Leader and Portfolio Holder for Housing and Community Services

Report from: Perry Holmes, Chief Legal Officer

Author: Laura Caiels, Principal Lawyer

#### **Summary**

This report sets out an assessment of the Expression of Interest submitted regarding the operation of Deangate Ridge Golf Course.

#### **1. Budget and Policy Framework**

1.1 Cabinet has responsibility for the delivery of leisure services and the Council's operational and land assets. Cabinet makes decisions whether to accept or reject expressions of interest submitted under the Localism Act 2011 ("the Act").

#### **2. Background**

2.1 The Council received an expression of interest which is set out at Appendix 1 and Exempt Appendix 1, to run services at the Deangate Ridge Golf and sports Complex, including the land in the following Land Registry titles: K329543, K340945, K406771 and K380340. The application was from "Deangate Community Partnership & Mytime Active."

2.2 This application follows the Council's decision made by Cabinet on 6 February 2018 to close the Deangate Ridge Golf Club (decision no. 23/2018 refers). The club is owned by the Council and was sought to be closed due to the substantial losses made at the club over the last 7 years. In addition to the decision to close the club, the Council also instructed Council officers to begin detailed planning for consultation and development of a new sports centre for the Hoo Peninsula (decision no. 24/2018 refers).

2.3 The decision of the Cabinet was called in by six members and was referred to the Council's Regeneration, Culture and Environment Overview and Scrutiny Committee and debated on 12 March 2018. During this Committee the

decision was taken to refer the matter back to Cabinet for them to reconsider their decision of 6 February (minute no. 817/2018 refers).

- 2.4 The matter was referred back to a Cabinet meeting on 28 March 2018 where the earlier decision of 6 February 2018 was reconsidered and upheld, although the decision was taken to move the closure date back by a few weeks to enable the end of year tournaments at the club to be completed (decision no. 46/2018 refers).
- 2.5 The Council is currently going through the process in order to develop a new Local Plan. Currently the Council is in the Development Strategy Consultation phase and has identified 4 options for Medway's development:
- i) Meeting the housing need of 29,500 homes in line with our analysis of the number of homes needed to support the area's population growth and change up to 2035,
  - ii) Investment in infrastructure to unlock growth – if we are successful in bids for major new funding for the area, the speed and rate of development could be boosted on the Hoo peninsula,
  - iii) Meeting government's target of local housing need of 37,000 homes, in line with a new approach to calculating the number of homes required for our area,
  - iv) Consideration of development within Lodge Hill Site of Special Scientific Interest (SSSI) – Homes England is preparing a new planning application for this area for up to 2000 homes with supporting services, which would protect much of this designated site for wildlife, but involve development on some protected areas.
- 2.6 The options above are out for consultation with the public until May 2018. Thereafter, the Council will publish its draft Local Plan in late 2018. This will then be submitted to the Planning Inspectorate in around March 2019 and, if approved it is proposed to be adopted from 2020 onwards.
- 2.7 The Council's Local Plan includes not just areas for development of housing but consideration of infrastructure and services needed to support any development.

### **3. Expression of Interest**

- 3.1 On 23 March 2018 the Council received an expression of interest from the Deangate Community Partnership (the Partnership) and Mytime Active to undertake the provision of community sport, wellbeing and leisure activities at the Deangate Ridge Golf and Sports Complex.
- 3.2 The expression of interest states that the Partnership is currently an unincorporated community body. The statutory guidance states that organisations that provide contracts for Local Authorities would normally be expected to be incorporated bodies, however the guidance states that it is not essential for a body to be an incorporated body when the expression of interest is made. The Partnership state that they will use the time between any acceptance of their expression of interest and the start of the procurement exercise to arrange to become incorporated and the statutory guidance suggests that this is the correct approach.

- 3.3 The expression of interest states that Mytime Active is a registered charity that currently delivers community sport, health and wellbeing services, including 16 golf centres often on behalf of or in partnership with Local Authorities. The expression of interest states that the Community Partnership has a firm commitment from Mytime Active to work with them to deliver services.
- 3.4 By letter dated 16 April 2018 (Appendix 2) Mytime Active wrote to the Council to inform them that whilst there had been conversations between them and the Partnership and they were sympathetic to the Partnership's cause they were not in collaboration with them and any expression of interest had been sent without their authority or agreement.
- 3.5 Following Cabinet's instruction, officers have worked extensively to assess the report within the legal framework, including the "Community Right to Challenge statutory guidance" ("the Statutory Guidance") issued by the Secretary of State in June 2012 advising on the consideration of expressions of interest.

#### **4. Options**

- 4.1 The Localism Act at section 83 gives the Council two options. It can either accept an expression of interest or reject it. The advice and analysis below, sets out why officers are advising Cabinet to reject the expression of interest.

#### **5. Advice and analysis**

##### **5.1 Local Authorities' Duties**

- 5.1.1 Section 5 of the Statutory Guidance requires the authority to write to the applicant setting out the maximum period that it will take to notify them of a decision. The letter to the applicant must be sent within 30 days of the expression of interest having been received.
- 5.1.2 The expression of interest from the Partnership was received on 23 March 2018 and the deadline for this letter is 22 April 2018. A letter was sent to the applicant on 19 April 2018 advising that the Council expects to be able to notify the Partnership of its decision within 10 working days, after the Cabinet meeting on 8 May 2018.
- 5.1.3 Section 81 (1) of the Act provides that a relevant authority must consider an expression of interest under the legislation if:
- it is submitted to the authority by a relevant body, and
  - it is made in writing and complies with other such requirements for expressions of interest as the Secretary of State may specify in regulations.

## **5.2 Relevant Authority**

5.2.1 A relevant authority is defined at Section 81(2) as:

- a County Council in England;
- a District Council;
- a London Borough Council; or
- such other person or body carrying on functions of a public nature as the Secretary of State may specify by regulations.

5.2.2 Medway Council is a relevant authority within the definition of the Act.

## **5.3 Relevant Body**

5.3.1 A relevant body is defined at Section 81(6) as:

- a voluntary or community body;
- a body of persons or a trust which is established for charitable purposes only;
- a Parish Council;
- in relation to a relevant authority, two or more employees of that authority, or
- such other person or body as may be specified by the Secretary of State by regulations.

5.3.2 The Partnership is a currently an unincorporated community body. As set out in paragraph 3.2 above, the body is not currently incorporated, however, it does not need to be at the time the expression of interest is made and at this moment in time it would be a relevant body. If the partnership does not take steps between their expression of interest being accepted and the procurement exercise being undertaken then any subsequent bid to run services would be likely to be unsuccessful.

## **5.4 Relevant Services**

5.4.1 Section 81(5) of the Act defines relevant services in relation to a relevant authority as those provided for or on behalf of that authority in the exercise of any of its functions, other than a service of a kind specified in regulations made by the Secretary of State.

5.4.2 Unless a service is set out in regulations as being one, which is exempt from the Community Right to Challenge it will be a relevant service.

5.4.3 The right to submit an expression of interest only relates to relevant services the provision of leisure services is not an exempt function and will therefore be a relevant service.

5.4.4 Section 82 of the Act provides that a relevant body may submit an expression of interest at any time subject to a relevant authority having specified periods when expressions of interest may be submitted. The Council currently has no specified time frames in respect of when an application can be made and, as such, an application can be submitted at any time.

5.4.5 The expression of interest has been made in writing and meets the requirements in Section 81(1)(a) of the Act. The Council, therefore, needs to go on and consider whether it meets the requirement for expressions of interest required in Section 81(1)(b) of the Act.

## **5.5 Expression of Interest Requirements**

5.5.1 Further to Section 81(1)(b) of the Act the Secretary of State has implemented the Community Right to Challenge (Expressions of Interest and Excluded Services)(England) Regulations 2012/1313, which set out at schedule 1 the information required in an expression of interest:

(a) An expression of interest must include the following information and, where the relevant body proposes to deliver the relevant service as part of a consortium or to use a sub-contractor for delivery of any part of the relevant service, the information and evidence referred to in paragraphs 2 and 3 must be given in respect of each member of the consortium and each sub-contractor as appropriate.

(b) Information about the financial resources of the relevant body submitting the expression of interest.

(c) Evidence that demonstrates that by the time of any procurement exercise the relevant body submitting the expression of interest will be capable of providing or assisting in providing the relevant service.

(d) Information about the relevant service sufficient to identify it and the geographical area to which the expression of interest relates.

(e) Information about the outcomes to be achieved by the relevant body or, where appropriate, the consortium of which it is a part, in providing or assisting in the provision of the relevant service, in particular a) how the provision or assistance will promote or improve the social, economic or environmental well-being of the relevant authority's area; and b) how it will meet the needs of the users of the relevant service.

(f) Where the relevant body consists of employees as described in section 81(6)(d), details of how that relevant body proposes to engage other employees of the relevant authority who are affected by the expression of interest.

5.5.2 An expression of interest must include details of the financial resources of the Relevant Body and evidence that demonstrates that by the time of any procurement exercise that the Relevant Body will be capable of providing or assisting in providing the service. Where it is proposed to use a consortium or sub contractor to assist in the delivery of the service these details will also be required in respect of those parties.

- 5.5.3 In the case of the Partnership the expression of interest notes that there are currently 120 members, none of whom have yet been asked to make a financial contribution. It is suggested that a contribution of £10 per annum per member could be sought. The expression further states that the partnership has pledged of potential financial support from both Hoo and High Halstow Parish Councils. In addition, the expression states that there is a potential to request funding from Ministry of Homes, Community and Local Government and Sport England. The financial resources of the Partnership are limited and based on potential financial support and possible grants which may not materialise.
- 5.5.4 In relation to Mytime Active, the company's latest annual report and accounts show that the company's turnover for 2016/17 was £33.1 million with a surplus of £1.95 million. The Council has not been provided with details of the agreement between the Partnership and Mytime Active and it is not currently clear how the services will be financed.
- 5.5.5 The Partnership has failed to provide any information in respect of its own financial resources and has failed to provide adequate information in respect of any agreement with Mytime Active to fund the services it proposes to run. There is little substance to the financial information with mere possible grants that may be available. Further, the Partnership at page 15 of its expression of interest states that they propose entering into a procurement exercise to be completed by the end of May. It is not clear whether the parties will be in a position to provide the service by this time due to it not being clear what the position between the parties is in respect of funding and it being unlikely that any of the bids identified by the Partnership would be concluded within this timeframe. In any event it is now clear from the letter dated 16 April 2018 from Mytime Active that what is said in the expression of interest overstates matters and there is no agreement to work with the Partnership.

## **5.6 Grounds to Reject an Expression of Interest**

- 5.6.1 The Secretary of State has implemented the Community Right to Challenge (Fire and Rescue Authorities and Rejection of Expressions of Interest) Regulations 2012/1647 which set out at schedule 1 the grounds upon which an expression of interest can be rejected:

**Ground 1:** The expression of interest does not comply with any of the requirements specified in the Act or in regulations.

**Ground 2:** The relevant body provides information in the expression of interest which in the opinion of the relevant authority, is in a material particular inadequate or inaccurate.

**Ground 3:** The relevant authority considers, based on the information in the expression of interest, that the relevant body or, where applicable a) any member of the consortium of which it is a part, or b) any contractor referred to in the expression of interest is not suitable to provide or assist in providing the relevant service.

**Ground 4:** The expression of interest relates to a relevant service where a decision, evidenced in writing, has been taken by the relevant authority to stop providing that service.

**Ground 5:** The expression of interest relates to a relevant service a) provided, in whole or in part, by or on behalf of the relevant authority to persons who are also in receipt of a service provided or arranged by an NHS body which is integrated with the relevant service; and b) the continued integration of such services is, in the opinion of the relevant authority, critical to the well-being of those persons.

**Ground 6:** The relevant service is already the subject of a procurement exercise.

**Ground 7:** The relevant authority and a third party have entered into negotiations for provision of the service, which negotiations are at least in part conducted in writing.

**Ground 8:** The relevant authority has published its intention to consider the provision of the relevant service by a body that 2 or more specified employees of that authority propose to establish.

**Ground 9:** The relevant authority considers that the expression of interest is frivolous or vexatious.

**Ground 10:** The relevant authority considers that acceptance of the expression of interest is likely to lead to contravention of an enactment or other rule of law or a breach of statutory duty.

5.6.2 In respect of the above grounds, the Council considers that Grounds 5, 6, 7 and 8 do not apply in this case.

5.6.3 In relation to **Ground 4** the Council made the decision to close the Deangate Ridge Golf Course at a Cabinet meeting on 6 February 2018. The expression of interest was not submitted to the Council until 23 March 2018. The Council accepts that the decision was referred back to Cabinet by the Regeneration, Culture and Environment Overview and Scrutiny Committee and the decision was re-considered at a meeting on 28 March 2018 however, the decision on that date was simply re-affirming the Cabinet's earlier decision. As such, it does not constitute a new decision and the expression of interest should therefore be rejected on the basis of Ground 4.

5.6.4 In relation to **Grounds 1, 2 and 3**, the Council considers that the financial information provided in respect of this application is incomplete and inadequate. There is no clear financial information and it is not clear how the Partnership envisages funding the services or how it claims to be able to run the service at a profit from the first year. It is not considered that the Partnership is suitable to provide or assist in providing the services and there is no convincing case that a profit can be made and no reason to think that there will be more than a nominal or low rent paid to the Council for the site. In the financial information provided, as part of the expression of interest it is not envisaged that any contribution would be made to the Council in the first year and only a nominal figure for future years thereafter. It is for members to decide whether or not there is a convincing case made by the Partnership.

5.6.5 In relation to **Ground 9**, it is considered that the expression of interest could in the circumstances be considered, as a way of frustrating the Council's Local Plan process which is currently going through consultation. It is not considered appropriate at this stage to make a decision as to how the land should be used and it is entirely appropriate for the Council to await the outcome of this process before deciding on the land's use.

5.6.6 In relation to **Ground 10**, it is considered that if the Council accepts no rent or nominal rent in respect of the site it will be in breach of its duty under section 123 of the Local Government Act 1972, requiring that they do not dispose of land for less than the best that can reasonably be obtained.

## **5.7 Further analysis**

5.7.1 In preparing this report, officers have considered the expression of interest and the wider context including the fact that the Local Plan is out for consultation. It may be that as a result of this the area or some of the area may be designated as open space, there may be an alternative leisure provision or there may be some other use identified.

5.7.2 Finally, for completeness, officers are aware that whilst waiting for the Local Plan to be finalised (a period of approximately 18 months), use of the site may be limited. Officers have therefore considered whether, notwithstanding the fact that the expression of interest can properly be rejected on a number of grounds, it would be appropriate for there nonetheless to be a procurement exercise undertaken for someone to run a golf course on the site for a short period (approximately 18 months).

5.7.3 Whilst this is a matter for Members, officers have taken the view that it is not appropriate because the financial and administrative burden involved in running such a procurement exercise does not seem worthwhile as it seems extremely unlikely that any private company would want to bid to provide such services for such a short period of time, particularly given the losses made by the Council when running it over the last 7 years.

5.7.4 However, if there were to be a new expression of interest to run services for this period which did not have the deficiencies identified in the present one then the Council could consider it. In any event, whilst the golf club is closed, members of the public can still use the site for walking on and as such there is a social, economic and environment benefit to the wider community.

## **6. Risk management**

6.1 Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community.



Risk	Description	Action to avoid or mitigate risk	Risk rating
Accepting the expression of interest could frustrate the Local Plan process	It is not considered appropriate at this stage to make a decision as to how the land should be used and it is entirely appropriate for the Council to await the outcome of this process before deciding on the land's use.	Reject the expression of interest	B2
No or nominal rent accepted on the site would be contrary to the Council's "best consideration" duty	A decision to accept less than best consideration could be challenged by a local resident through the annual accounts process or otherwise.	Reject the expression of interest	C2

## 7. Consultation

7.1 The legal framework and statutory guidance on responding to expressions of interest under the Localism Act 2011 do not envisage consultation. Officers have specifically not engaged in any consultation with Mytime Active as requested by the Deangate Community Partnership so as in no way to prejudge the expression of interest.

## 8. Financial implications

8.1 Officer opinion is that the financial information provided in respect of this expression of interest is incomplete and inadequate.

8.2 Officer advice is that accepting no or nominal rent for the golf course would breach the Council's duty under section 123 of Local Government Act 1972 to obtain best consideration. An indicative commercial rental for the site would be in the region of £50,000 per annum.

8.3 A detailed analysis of the projected budget information from the Partnership has been prepared. For the reason noted in paragraph 9.2 below, that analysis is contained in Exempt Appendix 2.

8.4 More detailed financial implications are set out in the body of the report.

## 9. Legal implications

9.1 Chapter 2, Part 5 of the Localism Act 2011 (the Act) sets out the relevant provisions in respect of applications under the Community Right to Challenge legislation. The Community Right to Challenge (Expressions of Interest and Excluded Services)(England) Regulations 2012/1313 and the Community Right to Challenge (Fire and Rescue Authorities and Rejection of Expressions of Interest) Regulations 2012/1647, (the Regulations) providing additional definition of terms within the Act. The Department for Communities and Local

Government issued statutory guidance for local authorities in June 2012 (the Statutory Guidance).

9.2 The reason the expression of interest is partially exempt is that the Partnership specifically state in the text on page 16 "These figures should be treated as commercially confidential pending the procurement exercise." The Council has respected this assertion.

9.3 Further detailed legal implications are set out in the body of the report.

## **10. Recommendation**

10.1 Cabinet is recommended to reject the expression of interest submitted by Deangate Community Partnership.

## **11. Suggested reasons for decision**

11.1 The Council has made a decision to close Deangate Ridge golf course (Ground 4).

11.2 The Council considers that the financial information provided in respect of the expression of interest application is incomplete and inadequate (Grounds 1, 2 and 3) particularly since the letter dated 16 April 2018 from Mytime Active which confirms what is said in the expression of interest overstates matters and that there is no agreement to work with the Partnership.

11.3 The Council considers that the expression of interest could in the circumstances be considered as a way of frustrating the Council's Local Plan process which is currently going through consultation (Ground 9).

11.4 The Council considers accepting no rent or nominal rent in respect of the site it will be in breach of its duty under section 123 of the Local Government Act 1972 (Ground 10).

## **Lead officer contact**

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## **Appendices**

Appendix 1 - Expression of Interest  
Appendix 2 - Letter from Mytime Active

Exempt Appendices:

Exempt Appendix 1 - commercially sensitive budget projections from Deangate Community Partnership

Exempt Appendix 2 - officer analysis of the projected budget information

## **Background papers**

None



# An Expression of Interest

by the Deangate Community Partnership & Mytime Active to  
Medway Council under the Community Right to Challenge  
(Localism Act 2011)

To provide sports, leisure & wellbeing facilities and activities at Deangate  
Ridge Golf & Sports Complex



## **Introduction**

The Deangate Community Partnership, together with Mytime Active, hereby submits an Expression of Interest to Medway Council to undertake the provision of community sport, wellbeing, and leisure activities at the Deangate Ridge Golf and Sports Complex.

The submission is made under Chapter 2 of the Localism Act 2011.

The Community Right to Challenge aims to give communities more opportunities to shape and run local public services where they believe they can do so better or cheaper, make them more responsive to local needs, offer additional social value, or deliver better value for money.

The Deangate Community Partnership is concerned that the current sporting provision at the Deangate Ridge Golf and Sports Complex, whilst offering golf and other sports and leisure space at a popular, centrally located venue used by many residents from the Hoo Peninsula and across Medway, relies on financial subsidy by Medway Council, and this is unsustainable in the ongoing austere financial environment.

We consider that as an unincorporated community body, the Deangate Community Partnership meets the criteria of a Relevant Body under Section 81 of the Localism Act (2011) which specifies the kinds of organisations/bodies who are eligible to use the Community Right to Challenge. The Statutory Guidance states that organisations that provide contracts for local authorities would normally be expected to be incorporated with limited liability. However, it is not essential for the Relevant Body to be incorporated at the time the expression of interest is submitted. The Government suggests that the time between Medway Council's acceptance of our EOI and the start of the procurement exercise will allow time to arrange the DCP's incorporation into the best-fit legal structure following advice.

As explained in the Statutory Guidance, Relevant Bodies are allowed to submit an expression of interest in partnership with one or more other organisations which are not required to meet the definition of a Relevant Body. We identified that Mytime Active, a registered charity, is already delivering community sport, health & wellbeing services, including 16 golf centres, across England, often on behalf of or in partnership with local authorities. We made contact with Mytime Active and have a firm commitment from them to work together to deliver relevant services from Deangate Ridge. Subject to satisfactory due diligence and a procurement exercise, Mytime Active are extremely positive that together we can maintain and quite significantly improve the quality & breadth of sporting, health & wellbeing activities being offered at the site, and actually make a financial contribution back to Medway Council rather than to expect the site to receive a financial subsidy.

## **Deangate Community Partnership (the Relevant Body)**

Deangate Community Partnership (DCP) is a (currently) unincorporated community body established by and on behalf of the residents of the Hoo Peninsula.

Its objectives are:

- to promote Deangate Ridge Golf and Sports Complex as a centre of excellence for sport, health & wellbeing for the people of Hoo and the peninsula villages;
- to foster healthy lifestyles and wellbeing by providing a safe, green, attractive, inclusive and sustainable environment that will encourage residents from all sections of the community to increase their everyday activity and maintain sound mental health and social interaction through different forms of physical activity and sport.

## **Deangate Community Partnership – financial resources**

The DCP is a recently established community group with a current membership of over 120 members who as yet have not been requested to make a financial contribution, pending the establishment of a suitable bank account. Most have indicated that they would be willing to do so immediately upon a call for funds and also following the Council's consideration of this EOI. The requirement for a small annual membership fee (say £10 pa) will be included in our Constitution, which is currently draft, and will be confirmed when we become incorporated as previously explained.

The proposed delivery mechanism of the arrangement with Mytime Active would not require material sums of capital or revenue funding from the DCP to establish, but it does have pledges of potential financial support from both Hoo and High Halstow Parish Councils for immediate contract mobilisation expenses such as Board Member/ Trustee Liability insurance for the lead committee members of the DCP and procurement legal costs. There is also the potential to request funding from the S31 grant awarded by the Ministry of Homes, Communities and Local Government to Medway Council to support the Community Right to Challenge. We have made contact with Locality, a community localism support network, who will advise us on how to choose the correct legal structure to deliver the emerging service ('form follows function') as well as other legal support during the procurement process, and they also identify grant funding opportunities for their members. Locality requests a small annual membership fee for these services (c£100pa) which we will fund from our own members' subscriptions. Sport England also support bids of this nature on occasion so the DCP will pursue all routes of funding that could ultimately improve the services on offer at Deangate.

The act also requires that we include information pertaining to the financial resources of Mytime Active as our partner in this EOI:

### **Mytime Active – financial resources**

Mytime Active is a registered charity no: 1102460, Company number: 04809606

Their aims & activities per the Charity Commission's website are:

'A leisure trust that re-invests surpluses to enhance sports, arts, play facilities and wellbeing services. Giving access to affordable, quality, safe, healthy, fun leisure and cultural experiences for all age groups and abilities. Promoting education of the public at large in the advantages of healthy and active lifestyles including benefits of a balanced diet.'

Mytime Active currently operates 16 golf sites across England, primarily working with councils to deliver their sports strategies in a cost-efficient way in today's austere financial environment. None of those sites are subsidised by the local authorities; some are operated on a zero subsidy, with MyTime investing into the facilities in return for any surplus generated by the site (they also take on the financial risk), and some generate a financial return to the local council in the form of rent/ lease income dependent on the terms of each management agreement. They have worked with DCP to establish indicative income and expenditure forecasts for the Deangate site, with a full analysis in the business case section of this EOI.

Mytime Active's turnover for 16/17 was £33.1m with surpluses of £1.95m. Reserves are reinvested in its sites for maintenance, improvements and additions.

Mytime Active's latest Annual Report & Accounts are attached as an appendix to this EOI.

### **Deangate Community Partnership – Organisational Capability**

The DCP currently has over 120 active members mainly comprising residents of the Hoo Peninsula. An acting board is in place pending the incorporation of the partnership as previously set out.

The composition of the acting management board reflects a wide range of passionate, capable, individual volunteers who combined offer a wealth of professional experience and skills, and are representative of all areas of the peninsula community. The final composition of the management board would be established during the procurement period but is envisaged to be limited to ten volunteer members, which could include places ringfenced for a Medway Council representative, the golfing fraternity, community representatives/

users such as the Hundred of Hoo Academy who have expressed an interest in using the site for their PE provision, or 'Woodpecker', a group of some 130 young Medway footballers who are looking for facilities.

Whilst the preferred delivery route is that the DCP enters into a 'back-to-back' management arrangement with Mytime Active, with the day-to-day management of the complex being carried out by them, of course the DCP has to demonstrate to Medway Council that it has the organisational capacity to take responsibility for the service and to set Service Level Agreements and KPIs for Mytime Active to ensure the arrangement continues to maximise the opportunity of the site and meet the requirements of users and the community.

Short biographies of the acting board members (voluntary positions) are as follows:

### **Acting Chair – George Crozer**

A resident of High Halstow for 40 years, and following a successful career in construction recruitment, George is the current Chair of High Halstow Parish Council, as well as being a spokesperson for The Friends of North Kent Marshes. As Chair of Ashdown Medway Accommodation Trust, a charity working for the benefit of homeless people in Medway and the wider Kent area, he oversees a budget of over £4m p.a. and is an advocate for clients with deprived liberty under the mental health act. As a result, George is well experienced in the governance and management of voluntary groups.

George is passionate about people and places and his energy ensures he is held in very high regard among the community on the Hoo Peninsula where he is a well-known figure, having led many community campaigns on behalf of residents and the villages.

### **Acting Secretary – Joanne de la Porte**

Joanne lives in Cliffe, and since obtaining her Architecture degree in 2000, went on to achieve a Masters degree in Building Surveying, equipping her with the skills needed for her role as Capital Programme Manager with a London NHS Trust, overseeing a capital programme of up to £60m p.a. along with staff management responsibilities. Her particular area of expertise is Corporate Governance together with skills in project and contract management, control systems and risk appraisal, all of which are invaluable to the DCP in undertaking this community bid.

### **Acting Treasurer – Vikki Finneran**

A qualified Certified Accountant (ACCA) for nearly 25 years, Vikki is a lifelong resident of the Hoo Peninsula. During a career in commercially-driven, not for profit organisations, including local Housing Associations and two local councils, Vikki is currently working as part of the team who are delivering the new Ebbsfleet Garden City and is therefore aware of the requirement for all types of infrastructure to be in place to support new and growing

communities, as well as the social and economic case for green space and sporting provision for a healthy population. Conversant in governance, strategy, risk, banking, VAT, financial reporting and audit, Vikki will contribute to the board in ensuring compliance in all finance and procurement matters in the relationship between the DCP and Mytime Active.

### **Acting Ecological Advisor – David Saunders**

David served Maidstone and the Medway towns as a Kent Police Officer for 40 years, and still lives locally with his wife, who is a teacher. He is an active committee member of the Royal Society for the Protection of Birds (RSPB) Medway Group, and volunteers for them on the North Kent Marshes. He is a passionate advocate for the unique habitat provided by the Hoo Peninsula as a haven for wildlife, and as a place of recreation and leisure for the whole of Medway and beyond.

### **Acting Deangate Ridge Golf Club Member Representative – Geoff Westlake**

Geoff spent the bulk of his career in the pharmaceutical industry, making full use of his degree in Chemistry and former Chartered Management Institute membership, but his computer skills eventually led him to the role of IT Director. A resident of Hoo village and now retired, Geoff is currently Seniors Captain at Deangate Ridge Golf Club, and has voluntarily undertaken a programme of improvements to its membership and competition administration as well as overseeing finance and marketing campaigns at a previous club and championing golfing as a healthy activity for the senior citizen. Having also previously held the post of Parish Councillor, he is also well versed in democracy and governance in the voluntary sector, as well as representing the views of the core golf membership at Deangate.

### **Acting Community Representative for Hoo – Ron Sands**

Ron was born in Hoo and has lived there all his life aside from a period of service in the Armed Forces. He is an active member of the community being a current Parish Councillor and Chair of the Parish Council Planning Committee for Hoo village, as well as standing as a Prospective Parliamentary Candidate in a general election.

### **Acting Youth Representative & Golf Pro – Tom Crozer**

Tom is a professional golfer (PGA of GB & Ireland) having learned to play at Deangate Ridge before undertaking a Professional Golfing Studies degree at the University of Birmingham. He has worked as Head Professional at the Deangate complex and hence has a wealth of knowledge about the course and the amenities available there, as well as the opportunities for improvement. He has extensive experience in the golf and leisure industry and is currently developing a golf coaching academy at another Kent golf club. Tom is a great ambassador for the sport and is enthusiastic to work with Mytime Active in reaching out to



make golf accessible to the young people of the peninsula, to ensure they have the same opportunity in sport that he himself enjoyed at Deangate.

### **Mytime Active – Organisational Capability**

Mytime Active operates throughout London, the Midlands and the South Coast employing more than 1,100 staff.

As a registered charity, they have a Board of Trustees (12 maximum), supported by various sub-committees, which delegate day-to-day administration of the charity to a management team, and their governance arrangements, which are subject to audit and scrutiny, are publicly available within their annual report and accounts (appended).

Being repeatedly successful in tendering exercises for the management of public sports facilities, they are fully equipped to deal with any TUPE matters arising upon the transfer of undertakings. The entire back office staff comprising HR, Finance, Legal, Communications and Business Development Teams are available to support the individual sites.

As part of this EOI, Mytime Active has set out an indicative rota of staff resources required to run the facility, based on their experience of operating similar sites.

The proposed Deangate Team would comprise:

- Full Time General Manager
- Full Time Golf Operations Manager
- Full Time Deputy Golf Operations Manager
- Part Time retail/ Golf Ops cover
- Full Time Sales Manager
- Full Time Grounds Manager
- Full Time Deputy Grounds Manager
- 3 x Full Time Grounds Staff (on rota)
- Full Time Head Chef
- 3 x Full Time Chefs
- Ad-hoc function support
- P/T administrator
- P/T cleaner (in-house)
- Casual Clubhouse staff
- Casual Specialist Sports instructors on sessional basis

These staff would be recruited and employed by Mytime Active and the total pay costs have been included in the financially sustainable business plan included in this EOI.

### **Community Right to Challenge – the service**

The Deangate Community Partnership together with Mytime Active is submitting this Expression of Interest relating to the provision of sporting, health & wellbeing activities at the Deangate Ridge Golf and Sports Complex.

Situated on the Hoo Peninsula, with breathtaking views of the Medway Estuary, Deangate Ridge Golf Club is one of the finest municipal golf courses in Kent.

Set among rolling parkland and trees, it has exquisitely-kept fairways and green and offers a real challenge to golfers of all standards, from the complete novice to the professional.

Where Medway Council currently operates golf and other sports from the site, this non-statutory service has proven to require an annual financial subsidy, which cannot be sustained. We the community, under the legislation afforded to us under the Localism Act 2011, believe that by working in partnership with Mytime Active, the DCP can demonstrate the viable continuation of the service, removing all financial risk from Medway Council whilst delivering their ambitions under the Medway Council Sporting Legacy 2017-2020. Moreover, with the support of Mytime Active and the peninsula residents, the quality and breadth of the activities and services being offered from the site will be improved and expanded to encourage increased participation by all sections of the community including minority and hard-to-reach groups.

The business case included in this EOI covers the management and operation of the Deangate Ridge Golf and Sports Complex in its entirety, including the athletics stadium/ playing fields site across the road from the golf course, as set out in the Land Registry Title numbers:

K329543

K340945

K406771

K380340

And as shown on the map overleaf.



## **Outcomes – how the proposal contributes to the social, economic and environmental wellbeing of the area**

The Localism Act requires our EOI to detail the outcomes we propose to deliver if we are successful in our bid to take on the delivery of the service from Medway Council.

### **Social Outcomes**

Sport can, and does, make a profound and positive impact on individuals, communities and wider society. Together with Group Workouts, **golf** is one of the top two activities with the largest social impact on health & wellbeing (UK Active Research Institute Social Value 2017).

**Medway Council in considering this EOI are obliged by the Government to also consider the social value of our proposal.**

There has been too little emphasis and for far too long on what contributes to the health and happiness of a person, a family, a community. In addition, the bite of sustained austerity has stripped communities of places, venues and facilities that encouraged health, social cohesion and the personal development of our youngest citizens.

(From Sport England) - published studies show the positive effects of sport on education include improved attainment, lower absenteeism and drop-out, and increased progression to higher education, vital in an area such as the Hoo Peninsula which scores low on the POLAR4 measure used by the Higher Education Funding Council for England (HEFCE), indicative of low aspiration which is not conducive to Medway Council's objectives for improved economy and skills. For instance, young people's participation in sport improves their numeracy scores by 8 per cent on average above non-participants.

Other studies have found that sport programmes aimed at youths at risk of criminal behaviour can enhance self-esteem and reduce reoffending.

Physical activity, including sport, is linked to reduced risk of over 20 illnesses, including cardiovascular disease and some cancers.

Working with Mytime Active, we can easily demonstrate an increase in the number and quality of social outcomes from the community taking on the operation of the sports complex. The DCP would establish KPIs to ensure Mytime Active delivers the objectives of the managing board. Examples of social activities leading to improved outcomes not currently delivered at the site, based on successful outcomes from other Mytime Active units are shown below. The objectives set out in Medway Council's various sports & leisure strategies (such as hosting of an annual 'open' competition) would also be included:

- Year on Year increase in overall sports participation numbers;
- Establishing better links with the Hundred of Hoo Academy and the Marlborough Centre as well as the peninsula primary schools to increase sporting opportunity for the young people of the peninsula;
- Making golf accessible with varied pricing schedules & in working partnership with England Golf;

- Introduction of PrimeTime programme for age 60+ with support from community volunteer buddies;
- Weight management programmes for young people via schools and GPs;
- ‘Mind’ Programme – exercise for depression to improve mental health;
- Dementia Champions scheme;
- Walking football for women and over 50’s;
- ‘Walking away from Diabetes’, ‘Golf on referral’, ‘FreshStart’ and ‘HeartSmart’ programmes with funding potentially supplied by the NHS;
- Sporting programmes for foster families;
- Activities to assist the resettlement of offenders via the National Probation Service.

### **Economic Outcomes**

The financial outcomes demonstrated in the business plan clearly enable Medway Council to continue to offer the sport, leisure and wellbeing opportunities aspired to in its Sporting Legacy whilst removing the financial burden of doing so. Mytime Active’s business plan requires no financial subsidy by Medway Council at any time (subject to proper due diligence and the terms of the procurement exercise), and projects a small contribution to the council’s revenue budget in years 2 and onwards.

In the medium term, the management arrangement could profile increased levels of financial contribution tied to increased usage to reflect the forecast growth in the community of the proposed rural town at Hoo.

Mytime Active is also experienced in developing and implementing capital investment funds for its partner councils to further improve recreation facilities for the community. This could demonstrate a further saving to Medway Council in the form of providing the project management resources required to deliver improvements to Deangate Ridge funded by developer S106 contributions arising from the nearby Bellway Homes site (and others).

Aside from pure cashable savings for Medway Council’s Medium Term Financial Plan, the increase in social outcomes would translate into economic benefits for the public purse as a whole. According to Sport England, taking part in regular sport can save between £1,750 and £6,900 in healthcare costs per person, totalling £11.2bn for the whole of England in 2013.

According to Sport England, in 2010 sport and sport-related activity contributed £20.3 billion to the English economy – 1.9% of the England total. The contribution to employment is even greater – sport and sport-related activity is estimated to support over 400,000 full-time equivalent jobs, 2.3% of all jobs in England. Locally this is evidenced by the number of good quality jobs retained and created as previously set out in this proposal for Deangate which might otherwise be lost by the community.

## **Environmental Outcomes**

Retention of the large green space occupied by the site at Deangate is paramount in contributing to maintaining and improving environmental outcomes on the Hoo Peninsula. With an adjacent and encroaching SSSI the grounds need to be carefully and respectfully maintained in line with advice from the relevant environmental guidelines. As well as protection of the natural habitat, environmental outcomes are good for the community. Whilst these may not be measurable outcomes for KPI monitoring purposes, they are clearly outcomes that may not be retained if the sports complex closes down.

Access to good quality natural landscape in a rural town such as that emerging at Hoo in the draft local plan can affect how people feel. It reduces stress and sadness, lifts the mood and makes people feel better. The benefits of green and blue spaces, and the mechanisms by which they work, are varied. The physical benefits from green infrastructure, for example improved air quality, less noise pollution and reduced risks from flooding or heat-waves will be vital when considering the sheer scale of further development proposed in the draft local plan which already recognises that these factors are an issue on the peninsula. There are also benefits to active users of these spaces, whether that is through physical recreation or through children interacting with nature.

The DCP in partnership with Mytime Active and environmental groups such as the RSPB propose improved environmental outcomes that will include:

- Using the environment to support innovative practice as championed by Natural England and Public Health England as a component in therapeutic interventions for mental health and dementia;
- Examples would be group activities outdoors, structured walks, and green gyms.
- Retention of the natural environment to positively combat climate change, with the established trees and shrubs on the site helping to capture CO<sub>2</sub> and other pollutants from the main spine roads onto the peninsula adjacent to the golf course.
- Crucially, green space can dissipate the effect of construction materials, especially concrete and asphalt, which is a problem area already recognised by Medway Council in a new development in close proximity to the Deangate site having necessitated the negotiation of a green space offset contribution.
- Green and blue spaces help absorb water and capture run off from heavy storms through the absorbent effects of roots, soil, and natural retaining ponds which is necessary on the Hoo Peninsula which has a history of subsidence and flooding in certain areas.

## **The needs of existing users of the service**

Notwithstanding the social, economic and environmental outcomes already set out in this EOI, the Localism Act requires this bid to demonstrate how it meets the needs of existing users – for this purpose we consider the existing users to be the 11,000+ monthly users of the site (per Medway Council's footfall figures). Obviously the financial viability made possible by the partnership with Mytime Active will ensure that the facilities will remain available for the enjoyment of the current and future population so that existing and prospective new golfers, runners and cyclists will be able to partake in their sports in a high quality venue close to where they live, without further congesting the roads and adding to CO2 emissions. It means that the many hundreds of thousands of pounds invested over the years in the buildings and the facilities, including the new foot golf, the as yet unused Par 3 course, and the impressive floodlit driving range will provide thousands of activity hours each year for the local community, at no cost to the council tax-payer. The many residents and groups who use the bar and restaurant space will be able to continue to enjoy a meal or drink with their friends or families, in a large geographical area where there is scant provision to do so without heading 'into town'.

Aside from the maintenance of existing sports and social activities, the delivery model proposed by DCP and Mytime Active also suggests the introduction of improvements to the site, together with new and innovative events and activities which will be necessary to sustain the business plan but which will also offer exciting new opportunities for the peninsula residents:

Examples include:

- Potential redeployment of the current underutilised retail shop space as a dance/ yoga/ pilates studio;
- Investment in new trolleys and carts, and improvement in the overall look and feel of the whole site through cleaning, maintenance and horticulture.
- Better signposting of the facilities to attract a new customer base;
- Improvements to green keeping by direct employment of a team of green keeping staff on a rota basis to maintain course quality throughout opening hours.
- Introduction of membership cards and controls around player access to the course/ provision of adequate staffing at key hours to eliminate substantial losses of income from non-payment by users;
- Expansion of the capacity of the venue's bar and restaurant to host events such as parties and formal dinners;
- Revitalisation of the food and beverage offering;
- Utilisation of the driving range space for non-sporting events such as outdoor cinema, open-air theatre, craft & antique fairs, and music concerts.
- Usage of the driving range for laser archery and special 'after-hours' combo offers;
- Facilities for small weddings, baby showers, naming ceremonies and other parties in the architecturally impressive, disused former pro-shop/gym;
- Provision of school holiday activity clubs utilising the track site and golfing facilities;
- Establishment of golf academy and improved opportunity for teaching lessons;



- The establishment of marked out walking routes around the outer edges of the site, and RSPB-led nature walks.

## **The Business Plan**

The Deangate Community Partnership identified Mytime Active as market leaders for the provision of sports, health and wellbeing services in the community, and the two parties have formally agreed to work together for the purposes of this EOI in their joint ambition to continue to provide these services to the community with added value in terms of increased social, economic & environmental outcomes. The opportunity to support our cash-strapped unitary authority, Medway Council, by generating a small income, replacing the former substantial deficit and removing the financial risk of providing this non-statutory service, whilst being able to support the council in delivery of its strategic aims is at the core of this proposal.

The DCP are grateful to Mytime Active for their commitment and considerable input of resources into this EOI. The figures included in their draft business plan are robust, being derived from a considerable wealth of knowledge in the sector as evidenced by their historical and ongoing operational success and financial sustainability. They have real-time local knowledge of the market given that they operate the closest equivalent golf centre at Cobtree Manor Park in Maidstone – which generates a very healthy contribution of approx £120k pa back to the charitable trust who owns the land, in addition to Mytime Active's commitment to fund a £3m investment in a new clubhouse and associated facilities.

The proposal by DCP and Mytime Active in this EOI is to undertake the provision of sport, health and wellbeing activities at the Deangate Ridge Golf and Sports Complex for an initial period of not less than 4 years duration to enable the continuation of those services to the residents of Hoo Peninsula and beyond for the immediate future and for the duration of the consultation and eventual adoption of the emerging Local Plan 2012-2035. We recognise that the future of the Deangate Ridge site itself is part of the consultation but are confident that this meantime use is appropriate and necessary, and enables Medway Council to



support the spirit of the Localism Act by working with the community to successfully transform service delivery.

Towards the end of the initial 4 year period, the success of the project can be evaluated to inform decisions over whether a longer term lease arrangement should be put into place with Mytime Active or another external provider.

### **Projected Timescales for implementation**

The proposed transfer of undertakings would need to be completed as soon as possible to make the best of the summer months when the income potential of the site is at its peak. We would propose entering into a procurement exercise to be completed within 2 months (end of May) with the new delivery model being brought in for June 2018. This also reduces the exposure of Medway Council to ongoing revenue costs which have been included in their annual budget for 2018/19.



REGISTERED COMPANY NUMBER: 04809606 (England and Wales)  
REGISTERED CHARITY NUMBER: 1102460

REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017  
FOR  
MYTIME ACTIVE

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**FOR THE YEAR ENDED 31 MARCH 2017**

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## **MYTIME ACTIVE**

### **REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT** **FOR THE YEAR ENDED 31 MARCH 2017**

The Trustees, who are also directors of the Charitable Company for the purposes of the Companies Act 2006, present their report, which includes their strategic report, with the consolidated financial statements of the Charitable Company and the Group for the year ended 31 March 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) (FRS102) 'Accounting and Reporting by Charities' effective 1 January 2015.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
04809606 (England and Wales)

**Registered Charity number**  
1102460

**Registered office**  
4th Floor  
Linden House  
153-155 Masons Hill  
Bromley  
Kent  
BR2 9HY

#### **Place of business**

The Charitable Company and Group carries out its operations at multiple sites. The head office is located at the same address as the registered office. For information on the sites where the Charitable Company and Group operates please visit the Mytime Active website at <http://www.mytimeactive.co.uk>.

#### **Trustees**

E D Barkway	- resigned 14 December 2016
C Whatford	
M D Oakley	
Cllr T Stevens	- resigned 28 February 2017
J Heald	
A Hollands	
Cllr N Bennett	
M R Evans	
I M Gowan	
V Lowman	- appointed 22 June 2016
A Muzzelle	- appointed 22 June 2016
H M Sahni-Court	- appointed 24 May 2017

#### **Chief Executive**

M Mayne

#### **Company Secretary**

P Drury	- resigned 3 January 2017
M Mayne	- appointed 3 January 2017

#### **Auditors**

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

#### **Solicitors**

Winckworth Sherwood LLP, Minerva House, 5 Montague Close, London SE1 9BB  
Cripps LLP, 23 Kings Hill Avenue, Kings Hill, Kent ME19 4UA  
Clarkson, Wright and Jakes, Valiant House, 12 Knoll Rise, Orpington, Kent, BR6 0PG

**REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The organisation is a Company limited by guarantee, incorporated on 24 June 2003 and registered as a Charity on 3 March 2004. The Charitable 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.

**Recruitment and appointment of new trustees**

In exercising its powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Trustees, the Trustees shall seek to ensure that the Board comprises persons with a broad range of skills who are likely to contribute to the Charity's success.

Subject to the above, the London Borough of Bromley may nominate for consideration the Trustees for appointment, such number of Trustees as comprise less than 20% of the total number of Trustees.

**Induction and training of new trustees**

Trustees follow an induction and familiarisation programme as required, and attend development sessions to ensure they have the knowledge to carry out their responsibilities.

**Organisational structure**

The Board of Trustees of up to 12 people, who meet quarterly, have delegated the responsibility of administering the Charity to a management team. This management team is made up as follows and meets monthly:

Marg Mayne	Chief Executive
Phil Drury	Finance Director - resigned 9 January 2017
Martin Boyce	People Director - resigned 23 December 2016
Chay Champness	Interim Finance & Resources Director from 3 January 2017
Jason Stanton	Operations Director from 8 August 2016
Phil Veasey	Business Development & Marketing Director - resigned 5 May 2017

**Remuneration of Key Management Personnel**

The Finance & Investment group, which is a sub committee of the Trustees, met to set executive pay in the year. This sub committee has been ended from 1 April 2017 and the setting of executive pay will be reviewed and approved annually by the main board.

**Working Partnerships**

The Charitable Company has a close relationship with all the local authorities, who contract the company to operate leisure, golf and Health services across the country.

**Related parties**

The Charitable Company owns 100% of the ordinary issued share capital of Mytime Enterprises Limited.

Mytime Active has taken advantage of the exemption afforded under FRS 102 regarding disclosure of transactions and balances with its wholly owned subsidiary, Mytime Enterprises Limited, when preparing these financial statements.

**Risk management**

The Trustees recognise risk management as one of their key responsibilities. Risks are identified and recorded in the Charitable Company's risk register together with the controls and actions designed to mitigate them. This process has been strengthened this year. In reviewing its position the Charitable Company is able to report that none of the risks identified have to date materialised into significant liabilities as appropriate action has been taken to limit the potential of these risks. Identified risks are reviewed periodically and appropriate action taken where necessary.

**REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2017**

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objects of the Charitable Company are:

- To provide or assist in the provision of facilities and services for the benefit of the community and, in particular, the London Borough of Bromley and any surrounding areas for recreational, sporting or other leisure time occupation in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services;
- To promote and preserve good health and well being through community participation in healthy recreation;
- To advance public education by the encouragement of culture and the arts;
- To promote and advance the education of the public at large in the advantages of healthy and active lifestyles including the benefit of a balanced diet;
- To carry out such other charitable purposes beneficial to the community consistent with the objects above as the Trustees shall in their absolute discretion determine.

The Trustees confirm that they have complied with the duty 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 guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The benefit to the public of us achieving our aims is in contributing to the recreation, leisure and health services of the community.

**STRATEGIC REPORT**

**ACHIEVEMENT AND PERFORMANCE**

**Chairman's statement**

Overall the company has had another successful year, with revenues in line with the prior year and an increased operating surplus. The group including the charitable company and subsidiary achieved £33.1m turnover (£32.6m 2015/16) and an operating surplus for the year of £1.95m (£0.91m 2015/16).

The Leisure division revenue performance was buoyed by a re-vamped family membership, investment on soft play areas and food and beverage. Overall leisure revenues were up 2% year on year.

The Golf division's strategy of focusing on membership and functions to weather proof the business is proving successful. Membership income has increased by 6% year on year where the national golf participation has been declining. This is a strong performance, which has contributed to mitigating some of the decreased revenue in pay and play.

The company was successful in maintaining performance in the health division during the year, despite of ending profitable contracts with substantial amount of redundancy costs. However, going forward the division has fewer contracts available due to the challenges in public health funding, the range of services and tighter margins.

Reserves of more than £815k were invested during the year in facilities such as course improvement machinery in our golf centres and improved customer facilities, alongside a rolling program of asset management.

Through the Community Investment Fund we have supported a strong portfolio of projects that reflect the wide geographical spread of the areas which we serve as well as the diverse communities and service user groups we engage with.

We achieved a record number of visits to our facilities and services, with over 5 million attendances. Our ethos of welcoming a cross section of the communities we serve through providing accessible and affordable facilities and services and working with a range of partners and funders is supporting an increased number of visits. At our leisure centre visits increased year on year as a result of a number of factors: the continued success of our family membership, the launch of our registration pricing scheme and discounts and improved facility condition. Also, golf attendances have increased year on year, this is despite a national stagnation in golf participation. One of the main reasons for this is the growth we've seen in members.

REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2017

STRATEGIC REPORT

**ACHIEVEMENT AND PERFORMANCE (continued)**

**Chairman's statement - continued**

Many different community groups and individuals benefit from our services. For example, we delivered a wide range of opportunities for children and young people to engage in sport and physical activity: organised Team Bromley's entry into the London Youth Games; taught over 7,000 children to swim on weekly basis through our Get Active in Swimming programme; extended our Ofsted registered childcare provision across the Borough of Bromley; delivered an extensive MEND in schools programmes across three west London Boroughs and delivered child weight management programmes across the London Boroughs of Tower Hamlets, Lewisham and Wandsworth. In addition we committed resources to ensure young people in targeted and underserved areas of Bromley, were given access to high quality sport, physical activity and creative music opportunities, through our Myfuture and ArtsTrain projects. The projects are high in intensity, benefit and impact.

The newly formed partnership agreement between Mytime Active and England Golf continued throughout the year with the aim of increasing the engagement of Black, Asian and Minority Ethnic communities in golf through a targeted programme within the Birmingham area. The project focused on building effective partnerships and relationships with these communities within the region with the aim to identify and profile golf as an activity for their users and members to experience.

We provide many opportunities for adults and older people to adopt and retain a healthy lifestyle and improve their wellbeing. For example, our Primetime programme of activities for older people was extended to provide more relevant and appropriate activities for older men and we established a community group exercise programme in Biggin Hill, a more rural area of Bromley which was identified as an area lacking in sport and physical activity opportunities. Through our integrated health programmes in the Midlands we have targeted the most hard to reach communities to encourage healthy and active lifestyles. Additionally, through our exercise referral programmes we engaged those who are inactive and have term health conditions in safe and effective programmes of physical activity.

**FINANCIAL REVIEW**

**Income and expenditure**

The business produced another strong year with revenue of £33.1m. Operational expenditure was controlled well, which resulted in an increase in profit in the year (before actuarial gains / losses) to £1.95m (2015/16 £ 0.91m).

Leisure revenue was up by 2% year on year partly due strong performance in membership, soft play & food & beverage. Family membership was introduced in October 2015 which has continued to increase in membership across our leisure centres. Total golf revenue on the other hand decreased by 2% on prior year, as a result of pay and play green fees. The company continues to invest in its food and beverage service and as a result spend per visit increased across our sites. The Golf market remains very competitive as the general golf market continues to show year on year decline from the peak in the 80's. Health revenues have fallen 3% year on year due to some contracts expiring in the year and not being replaced.

Total staff costs including taxes and pension contributions has increased by 2.2% year on year, representing 51% (2015/16 – 54%) of total income. Total overheads have reduced by £0.5m due to various cost saving improvements such as energy efficiency improvements and reduction in some of the rents payments.

**Capital and investments**

The capital expenditure during the year to 31 March 2017 was as follows:

Company	(note 16)	£
Improvements to property		219,636
Equipment, plant & fittings		317,219
Computer equipment		<u>278,620</u>
Total purchased		<u>815,475</u>



**REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2017**

**FINANCIAL REVIEW (continued)**

The Charitable Company uses available reserves to underpin necessary reinvestments back into the service. These investments are key to gaining future business success and ensuring customers continue to receive services at a quality and price that meets their growing expectations. Since the Charitable Company began in 2004 more than £21.8m has been invested into facilities so far.

The Charitable Company will continue to invest in the facilities that it operates and the infrastructure that supports them to ensure best value for money for our customers. Investments will include energy efficiencies in line with our policy to reduce our carbon footprint and keep the increase in energy costs to a minimum to protect our surpluses.

**Investment powers and policy**

The Charitable Company has a low risk investment policy and as such surplus money not immediately required for the operational needs of the Charitable Company is invested in interest bearing accounts. Interest received during the financial year was £80k (2015/16 - £72k).

Net cash inflow from operating activities was £2.6m (2015/16 - £3.3m) during the year. Of this, £0.8m (2015/16 - £1m) was used to fund capital improvements and investment in operations. The net cash inflow for the year was £1.8m compared to a net cash inflow of £2.4m in 2015/16. Cash balances were £11.0m (2016 - £9.2m) at the year end.

**Reserves policy and Charity funds**

At 31 March 2017, the parent Charitable Company and its subsidiary undertakings had accumulated reserves of £14.9m (2016 - £13.6m), within this were restricted reserves of £0.160m (2016: £0.191m). The increase in reserves during the year was as a result of the operating surplus generated less the impact of the increase in the pension liability.

The Trustees recognise the need for a level of financial reserves that will:

1. Allow for planned investment and other similar purposes;
2. Allow for cyclical maintenance expenditure which the Charitable Company has an obligation to incur under various property leases; and
3. Shield the Charitable Company from the possibility of adverse unforeseen circumstances.

These unforeseen circumstances include a number of specific events that have been identified in the Charitable Company's policy on Risk Management and Business Continuity. The Trustees have considered the risks and opportunities and identified that the company maintains minimum liquid reserves £1.5m. At 31 March 2017 the company had unrestricted general fund reserves of £6.4m however there are a number of known factors which will utilise most these funds in the short to medium term. These include the funding of a contracted capital development (£2.6m), the procurement of freehold land and potential additional funding of final salary pension scheme deficits.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the group and charitable company have adequate resources to continue in operational existence for the foreseeable future. The group and charitable company therefore continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies within note 1 of the financial statements.

**PLANS FOR FUTURE PERIODS**

The company's purpose is for everyone to 'get more from life'. It will achieve this through improving quality, increasing participation, customer satisfaction, and measuring and improving health and welfare our aim is to continue to generate surpluses to re-invest to benefit the communities that we serve and change people's lives for the better.

We will not achieve our purpose on our own so will work in partnership with local authorities and local organisations, to bring improvement programmes that will increase health and wellbeing in local communities.

To measure this the company has set three organisational goals:

1. Increase the average levels of wellbeing in our core communities
2. Grow turnover and EBITDA by a factor of 2
3. Reach an 80% employee engagement score

**REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2017**

**DISABLED PERSONS**

The parent Charitable Company and its subsidiary undertakings' policy is to give full and fair consideration to applications for employment by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career within the organisation. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

**EMPLOYEE INVOLVEMENT**

One of the company's organisational goals is to reach an employee engagement score of 80%. An annual employee survey is carried out, action plans are then drawn up following the survey to improve employee engagement.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Report of the Trustees incorporating a Strategic Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS102 (the financial reporting standard applicable in the UK and R.O.I.).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and the Group and of the net income or expenditure of the Group for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and the Group will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**APPROVAL OF REPORTS**

In approving the Report of the Trustees, the Trustees of the Charitable Company also approve the Strategic Report in their capacity as Directors.

**ON BEHALF OF THE BOARD:**



Chair of the Board

Date: 27 September 2017

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**MYTIME ACTIVE**

We have audited the Group and Charitable Company financial statements of Mytime Active for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated 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 FRS 102 (the financial reporting standard applicable in the UK and R.O.I.).

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 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 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.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities set out on page six, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Charitable Company's affairs as at 31 March 2017 and of the Group's incoming resources and application of resources, including 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 prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Trustees have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
MYTIME ACTIVE

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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  
ME10 4AE



Date: 27 September 2017

**MYTIME ACTIVE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted Funds £	Restricted Funds £	Pension Adjustment Unrestricted £	31.3.17 Total Funds £	31.3.16 Total Funds £
<b>INCOME</b>						
Donations and legacies	5	742,040	-	-	742,040	-
<i>Income from charitable activities:</i>						
Operation of leisure, recreation sites and health activities	7	30,008,224	1,880	-	30,010,104	30,553,481
Other funding	7	485,911	95,125	-	581,036	391,334
Grants	7	-	-	-	-	4,648
		<u>30,494,135</u>	<u>97,005</u>	<u>-</u>	<u>30,591,140</u>	<u>30,949,463</u>
<i>Income from other trading activities:</i>						
Commercial trading operations	3	1,646,004	-	-	1,646,004	1,604,271
<i>Income from investments:</i>						
Investment income	6	80,171	-	-	80,171	71,738
<b>Total income</b>		<u>32,962,350</u>	<u>97,005</u>	<u>-</u>	<u>33,059,355</u>	<u>32,625,472</u>
<b>EXPENDITURE</b>						
<i>Costs of raising funds:</i>						
Commercial trading operations	3	1,539,038	-	-	1,539,038	1,538,883
<i>Expenditure on charitable activities:</i>						
Operation of leisure, recreation sites and health activities	8	29,363,735	127,854	79,000	29,570,589	30,176,424
<b>Total expenditure</b>		<u>30,902,773</u>	<u>127,854</u>	<u>79,000</u>	<u>31,109,627</u>	<u>31,715,307</u>
<b>Net income / (expenditure) for the year before actuarial gains / (losses) under FRS102</b>		2,059,577	(30,849)	(79,000)	1,949,728	910,165
Re-measurements on defined benefit schemes	25	-	-	(581,000)	(581,000)	439,000
<b>Net movement in funds</b>		2,059,577	(30,849)	(660,000)	1,368,728	1,349,165
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	28	14,518,687	190,824	(1,136,000)	13,573,511	12,224,346
<b>Total funds carried forward</b>		<u>16,578,264</u>	<u>159,975</u>	<u>(1,796,000)</u>	<u>14,942,239</u>	<u>13,573,511</u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

**MYTIME ACTIVE****CONSOLIDATED BALANCE SHEET  
AT 31 MARCH 2017**

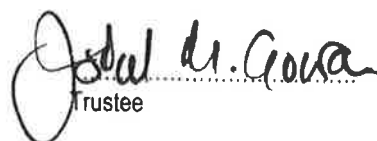
	Notes	31.3.17 Total Funds £	31.3.17 Total Funds £	31.3.16 Total Funds £	31.3.16 Total Funds £
<b>FIXED ASSETS</b>					
Intangible assets	15		-		164,199
Tangible assets	16		8,421,620		9,170,521
Investments	17		-		-
			<u>8,421,620</u>		<u>9,334,720</u>
<b>CURRENT ASSETS</b>					
Stocks	18	370,991		334,592	
Debtors: amounts falling due within one year	19	1,424,801		1,759,208	
Cash at bank and in hand		<u>11,038,544</u>		<u>9,194,280</u>	
		12,834,336		11,288,080	
<b>CREDITORS</b>					
Amounts falling due within one year	20	<u>(4,140,843)</u>		<u>(4,904,105)</u>	
<b>NET CURRENT ASSETS</b>			<u>8,693,493</u>		<u>6,383,975</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			17,115,113		15,718,695
<b>CREDITORS</b>					
Amounts falling due after more than one year	21		-		(587,200)
<b>PROVISIONS FOR LIABILITIES</b>	24		(376,874)		(421,984)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>16,738,239</u>		<u>14,709,511</u>
<b>PENSION LIABILITY</b>	25		(1,796,000)		(1,136,000)
<b>NET ASSETS</b>			14,942,239		13,573,511
<b>FUNDS</b>					
Fixed asset funds			8,421,620		9,334,720
Unrestricted funds			6,360,644		4,047,967
Restricted funds			<u>159,975</u>		<u>190,824</u>
<b>TOTAL FUNDS</b>	28		<u>14,942,239</u>		<u>13,573,511</u>

The financial statements were approved by the Board of Trustees on 27 September 2017 and were signed on its behalf by:



Trustee

Company Registered Number: 04809606




Trustee

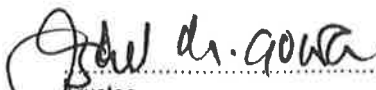
The notes form part of these financial statements

**MYTIME ACTIVE****COMPANY BALANCE SHEET  
AT 31 MARCH 2017**

	Notes	31.3.17 Total Funds £	31.3.17 Total Funds £	31.3.16 Total Funds £	31.3.16 Total Funds £
<b>FIXED ASSETS</b>					
Intangible assets	15		-		164,199
Tangible assets	16		8,421,620		9,170,521
Investments	17		1		1
			<u>8,421,621</u>		<u>9,334,721</u>
<b>CURRENT ASSETS</b>					
Stocks	18	323,660		288,580	
Debtors: amounts falling due within one year	19	1,406,692		1,753,810	
Cash at bank and in hand		<u>11,029,885</u>		<u>9,185,622</u>	
		12,760,237		11,228,012	
<b>CREDITORS</b>					
Amounts falling due within one year	20	<u>(4,066,745)</u>		<u>(4,844,038)</u>	
<b>NET CURRENT ASSETS</b>			<u>8,693,492</u>		<u>6,383,974</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			17,115,113		15,718,695
<b>CREDITORS</b>					
Amounts falling due after more than one year	21		-		(587,200)
<b>PROVISIONS FOR LIABILITIES</b>	24		(376,874)		(421,984)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>16,738,239</u>		<u>14,709,511</u>
<b>PENSION LIABILITY</b>	25		(1,796,000)		(1,136,000)
<b>NET ASSETS</b>			<u>14,942,239</u>		<u>13,573,511</u>
<b>FUNDS</b>					
Fixed asset funds			8,421,621		9,334,721
Unrestricted funds			6,360,643		4,047,966
Restricted funds			<u>159,975</u>		<u>190,824</u>
<b>TOTAL FUNDS</b>	28		<u>14,942,239</u>		<u>13,573,511</u>

The financial statements were approved by the Board of Trustees on 27 September 2017 and were signed on its behalf by:

  
Trustee  
Company Registered Number: 04809606

  
Trustee

The notes form part of these financial statements

**MYTIME ACTIVE****STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017**

	Group 31.3.17 £	Group 31.3.16 £	Company 31.3.17 £	Company 31.3.16 £
<b>Cash flows from operating activities</b>	2,571,528	3,334,032	2,571,527	3,334,062
<b>Cash flows from investing activities</b>				
Purchase of tangible fixed assets	(815,475)	(1,042,205)	(815,475)	(1,042,205)
Disposal of tangible fixed assets	-	-	-	-
Interest income	80,171	71,738	80,171	71,738
Cash used in investing activities	<u>(735,304)</u>	<u>(970,467)</u>	<u>(735,304)</u>	<u>(970,467)</u>
<b>Cash flows from financing activities</b>				
Re-profiling of existing loan	8,040	-	8,040	-
Increase in cash in the period	<u>1,844,264</u>	<u>2,363,565</u>	<u>1,844,263</u>	<u>2,363,595</u>
Opening cash at bank and in hand	<u>9,194,280</u>	<u>6,830,715</u>	<u>9,185,622</u>	<u>6,822,027</u>
Closing cash at bank and in hand	<u>11,038,544</u>	<u>9,194,280</u>	<u>11,029,885</u>	<u>9,185,622</u>

The notes form part of these financial statements



**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Group 31.3.17 £	Group 31.3.16 £	Company 31.3.17 £	Company 31.3.16 £
Net movement in funds	1,949,728	910,165	1,949,728	910,165
Amortisation of goodwill	24,326	24,326	24,326	24,326
Impairment of goodwill	139,873	-	139,873	-
Depreciation charges	1,564,376	1,626,235	1,564,376	1,626,235
Deficit on disposal of fixed assets	-	9,110	-	9,110
Movement in provisions	(45,110)	79,882	(45,110)	79,882
(Increase) / decrease in stocks	(36,399)	52,190	(35,080)	72,585
Decrease in debtors	334,407	497,625	347,118	508,732
(Decrease) / increase in creditors	(616,462)	145,237	(630,493)	113,765
Net interest cost	44,000	52,000	44,000	52,000
Difference between pension charge and cash contributions	34,000	8,000	34,000	8,000
Administrative expenses	1,000	1,000	1,000	1,000
Interest received	(80,171)	(71,738)	(80,171)	(71,738)
Reclassification of existing loan	(742,040)	-	(742,040)	-
<b>Net cash flow from operating activities</b>	<b>2,571,528</b>	<b>3,334,032</b>	<b>2,571,527</b>	<b>3,334,062</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the provisions of FRS 102 (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There were no material departures from that standard.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional and presentational currency of the charity.

**Group financial statements**

The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary, Mytime Enterprises Limited, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account is not presented for the Charitable Company itself in accordance with the exemptions afforded by section 408 of the Companies Act 2006.

**Company status**

The Charity is a Company limited by guarantee.

**Income**

Income from recreation, leisure sites and health activities are included on the Statement of Financial Activities when the Charitable Company is legally entitled to the income, it is probable that the income will be received, and the amount can be quantified with reasonable accuracy. Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year. Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences. Some services are provided in advance of an invoice being raised and the associated income is therefore accrued until the invoice has been raised and the income recognised on the Statement of Financial Activities. Income for annual memberships is accounted for over the membership year.

**Grants / Other funding**

Grants receivable in respect of a specified period relating to the general activities of the Charitable Company are recognised in the Statement of Financial Activities in the period in which it is probable that they will be received. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use.

**Unrestricted funds**

Unrestricted funds are incoming resources receivable or generated for the objects of the Charitable Company without further specified purpose and are available as general funds.

**Restricted funds**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the funds.

**Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Expenditure includes attributable VAT which cannot be recovered.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES – continued**

**Allocation and apportionment of costs**

Charitable activities are those costs incurred directly in the running of each of the recreation and leisure sites and in performance of the health activities. Charitable activities are split into recreation, leisure site and health activities costs, which are those costs incurred directly in the running of each of the sites and health activities, and support costs which are those costs incurred directly in support of expenditure on the objects of the Charitable Company.

**Taxation**

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

**Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired business at the date of acquisition. Goodwill arising from such acquisitions is included in intangible assets. The goodwill is then amortised over its expected useful life. Goodwill is tested for impairment at the end of the first full financial year after acquisition and then if events or changes in circumstances indicate that carrying values may not be recoverable. Any impairment is recognised immediately in the Statement of Financial Activities. Subsequent reversals of impairment losses for goodwill are not recognised.

**Tangible fixed assets**

Fixed assets are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	-over remaining term of lease
Equipment, plant and fittings	-straight line over 3 and 5 years
Motor vehicles	-straight line over 5 years
Computer equipment	-straight line over 5 years

**Fixed asset investments**

Fixed asset investments represent the charitable company's holding of share capital in the subsidiary. The asset is shown in the financial statements at cost less any impairment losses recognised.

**Service Concession Arrangements**

The Charitable Company has Service Contracts with Local Authorities for the operation of leisure centres and golf courses owned by the Local Authorities to which it has lease and management service contracts. The Authorities have rights under the contracts to specify the activities offered by the centres and have influence over the prices charged for them and specify minimum standards for the services to be provided.

**Property, plant and equipment**

The buildings and plant at the centres are leased to the Charitable Company as part of the overall contractual relationship with the Authorities but the Authorities maintain ultimate control of these assets. Accordingly the access which the Charitable Company has in the use of these assets is to enable it to operate the leisure centres and golf courses, so that the Charitable Company 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 Charitable Company's Balance Sheet.

**Stocks**

Stocks 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.

**Provisions**

A provision is recognised in the balance sheet when the Charitable Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions, when created are based on the best information available to the Board at that point of time.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES – continued**

**Financial Instruments**

The charitable company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

**a) Trade and other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

**b) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

**c) Impairment of financial assets**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

**d) Trade and other creditors**

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

**Pensions**

The Charitable Company operates a pension scheme providing benefits based on final pensionable pay. Contributions to the defined benefits scheme are charged to the Statement of Financial Activities in order to allocate the cost of providing the pensions recognising any actuarial surplus or deficiency (where appropriate), over the working lives of the relevant employees as assessed in accordance with the advice of a professionally qualified actuary. The assets of the scheme are held separately in an independently administered fund.

The Charitable Company complies with legislation concerning automatic enrolment and as such operates a defined contribution pension scheme. Contributions to defined contribution schemes are charged to the Statement of Financial Activities as incurred. These include contributions to the stakeholder pension scheme and employees' personal pension schemes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1. ACCOUNTING POLICIES – continued**

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charitable Company'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.

Management consider the following to be key sources of estimation uncertainty which would have a significant effect on the amounts recognised in the financial statements:

A number of actuarial assumptions are used to quantify the Group's pension liability in respect of defined benefit pension schemes. Further information concerning these assumptions can be found in note 25.

The Charity Company provides for a decorating provision in respect of premises leased under operating leases that include end of lease rectification clauses. More detailed explanations for the basis of the provision can be found in note 24.

Depreciation charges for assets with a net book value of £8.4million are included in the Statement of Financial Activities based on the estimated useful economic life of fixed assets.

An impairment charge is made against goodwill and recognised in the Statement of Financial Activities if circumstances indicate that carrying values may not be recoverable.

**Redundancy and termination payments**

The cost of making redundancy and termination payments is recognised in the Statement of Financial Activities when the recognition criteria for the legal or constructive obligation are met. Therefore, when it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated, the obligation is recognised in the financial statements.

**2. FINANCIAL ACTIVITIES OF THE CHARITY**

The financial activities shown in the Group Statement of Financial Activities include those of the Charitable Company's wholly owned subsidiary Mytime Enterprises Limited.

A summary of the financial activities undertaken by the Charitable Company is set out below:

	31.3.17	31.3.16
	£	£
Gross incoming resources	31,505,230	31,021,203
Fundraising trading expenditure	-	-
Total expenditure on charitable activities	(29,570,591)	(30,176,426)
Bad debt write back on subsidiary's profit for the year	<u>15,089</u>	<u>65,388</u>
Net incoming resources	1,949,728	910,165
Actuarial (loss)/gain on defined benefit pension scheme	<u>(581,000)</u>	<u>439,000</u>
	<u>1,368,728</u>	<u>1,349,165</u>

**3. INCOMING / (OUTGOING) RESOURCES FROM COMMERCIAL TRADING OPERATIONS**

A summary of the trading results of the wholly owned subsidiary Mytime Enterprises Limited is shown below:

	31.3.17	31.3.16
	£	£
Turnover	1,646,004	1,604,271
Cost of sales and administration costs	(1,535,266)	(1,522,535)
Gift aid donation	(91,877)	-
Deferred tax (debit) to profit and loss	-	(13,902)
Current tax (debit) to profit and loss	<u>(3,772)</u>	<u>(2,446)</u>
Net profit	<u>15,089</u>	<u>65,388</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**4. PROFIT / LOSS OF THE PARENT COMPANY**

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent Charitable Company is not presented as part of these financial statements. The parent Charitable Company's net incoming resources after actuarial gains/losses under defined benefit pension schemes for the financial year was £1,368,728 (2016: £1,349,165).

**5. DONATIONS AND LEGACIES INCOME**

	31.3.17	31.3.16
	£	£
Donations	<u>742,040</u>	<u>-</u>

In the year ended 31 March 2017 long term loan liabilities were reclassified within donations income in the Statement of Financial Activities as the lease agreement information which became available in the year indicates that this is the appropriate treatment. Donations and legacies income in 2017 was fully attributable to unrestricted funds.

**6. INVESTMENT INCOME**

	31.3.17	31.3.16
	£	£
Deposit account interest	<u>80,171</u>	<u>71,738</u>

All of the group's investment income arises from interest bearing deposit accounts. Income from investments was £80,171 (2016: £71,738) of which £nil (2016: £nil) was attributable to restricted funds and £80,171 (2016: £71,738) was attributable to unrestricted funds.

**7. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	31.3.17	31.3.16
	£	£
Operation of leisure, recreation sites and health activities	30,010,104	30,553,481
Grants	-	4,648
Other funding	<u>581,036</u>	<u>391,334</u>
	<u>30,591,140</u>	<u>30,949,463</u>

Income from charitable activities was £30,591,140 (2016: £30,949,463) of which £97,005 (2016: £115,034) was attributable to restricted funds and £30,494,135 (2016: £30,834,429) was attributable to unrestricted funds.

**8. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES COSTS**

	Direct Costs	Direct Staff Costs	Support Costs (see note 9)	31.3.17 Total Charitable Activities	31.3.16 Total Charitable Activities
	£	£	£	£	£
Leisure, recreation and health activities	<u>11,621,379</u>	<u>13,656,384</u>	<u>4,292,826</u>	<u>29,570,589</u>	<u>30,176,424</u>

£127,854 (2016: £420,770) of the above costs were attributable to restricted funds and £29,442,735 (2016: £29,755,654) of the above costs were attributable to unrestricted funds.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**9. SUPPORT COSTS**

Support costs, included in the above, are as follows:

	31.3.17	31.3.16
	Operation of leisure, recreation sites and health activities	Operation of leisure, recreation sites and health activities
	£	£
Wages	2,722,362	1,983,812
Premises expenses	267,447	257,501
Motor and travel	139,458	81,915
Overheads	602,988	639,859
Service charges	35,937	34,180
Legal and professional including governance costs	47,570	33,825
Consultants	464,071	358,164
Depreciation of tangible assets	12,993	56,231
	<u>4,292,826</u>	<u>3,445,487</u>

All support costs relate to the sole activity of the Charitable Company, being the provision of leisure, recreation and health services.

**10. GOVERNANCE COSTS**

	31.3.17	31.3.16
	£	£
Auditors' remuneration	16,000	17,000
Auditors' remuneration for non-audit work	3,750	3,000
Internal audit fees	4,988	6,300
	<u>24,738</u>	<u>26,300</u>

**11. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

	31.3.17	31.3.16
	£	£
Auditors' remuneration	16,000	17,000
Auditors' remuneration for non-audit work	3,750	3,000
Internal audit fees	4,988	6,300
Audit of trading subsidiary	3,000	3,500
Audit of trading subsidiary (over)/under provision in the previous year	-	(380)
Depreciation - owned assets	1,564,376	1,626,235
Hire of plant and machinery	42,579	63,554
Deficit on disposal of fixed asset	-	9,110
Cost of stocks recognised as an expense	1,946,359	2,247,821
Goodwill amortisation	24,326	24,326
Goodwill impairment	139,873	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**12. TRUSTEES' REMUNERATION AND BENEFITS**

The Trustees neither received nor waived any emoluments during the year.

**Trustees' Expenses**

During the year, reimbursed expenses amounting to £279 (2016: £98) in total were paid to four Trustees relating to travel costs.

**13. STAFF COSTS**

	31.3.17 £	31.3.16 £
<b>Company</b>		
Wages and salaries	14,801,574	14,570,921
Social security costs	1,064,449	979,360
Defined benefit pension costs	95,000	60,000
Other pension costs	<u>417,724</u>	<u>443,980</u>
	16,378,747	16,054,261
<b>Subsidiary</b>		
Wages and salaries	567,285	524,133
Social security costs	44,369	40,994
Other pension costs	<u>22,184</u>	<u>20,496</u>
	<u>633,838</u>	<u>585,623</u>
	<u>17,012,585</u>	<u>16,639,884</u>

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

	31.3.17	31.3.16
Senior management	4	5
Leisure, recreation & health activities	1,087	1,072
Support	<u>58</u>	<u>47</u>
	<u>1,149</u>	<u>1,124</u>

The average monthly number of employees during the year, expressed as full time equivalents was as follows:

	31.3.17	31.3.16
Senior management	4	5
Leisure, recreation & health activities	592	623
Support	<u>52</u>	<u>40</u>
	<u>648</u>	<u>668</u>

The total amount of employee benefits received by key management personnel is £441,693 (2016: £349,981). The trust considers its key management personnel to comprise of the executive directors of the charitable company.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**13. STAFF COSTS - continued**

The number of employees whose emoluments fell within the following bands was:

	31.3.17	31.3.16
£60,001 - £70,000	4	3
£70,001 - £80,000	2	-
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£110,001 - £120,000	-	1
£150,001 - £160,000	1	1
	9	7

The number of employees earning in excess of £60,000 (for the year) to whom retirement benefits are accruing:

	31.3.16	31.3.15
	1	1

During the year under review ex-gratia payments of £29,984 and £8,100 (2016: one payment of £21,250) were made in respect of settlement agreements to mutually terminate two contracts (2016: one contract) of employment.

**14. TAXATION**

The Charitable Company paid no corporation tax during the year. Provisions for £3,772 (2016: £2,446) have been made at 31 March 2017 for corporation tax due in respect of the surplus from trading activities recorded in the year ended 31 March 2017. During the year ended 31 March 2017 all trading activities were conducted by the wholly owned subsidiary, Mytime Enterprises Limited.

**15. INTANGIBLE FIXED ASSETS****Group and company**

	Goodwill £
<b>COST</b>	
At 1 April 2016	237,176
Impairments	(237,176)
At 31 March 2017	-
<b>AMORTISATION</b>	
At 1 April 2016	72,977
Charge for year	24,326
Impairments	(97,303)
At 31 March 2017	-
<b>NET BOOK VALUE</b>	
At 31 March 2017	-
At 31 March 2016	164,199

A review of the carrying value of goodwill was undertaken during the year. The review concluded that there were indications that the carrying value of goodwill was impaired and accordingly an impairment adjustment was made as detailed above.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**16. TANGIBLE FIXED ASSETS****Group and company**

	Improvements to property £	Equipment, plant and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2016	10,932,041	7,163,916	53,855	1,178,126	19,327,938
Additions	<u>219,636</u>	<u>317,219</u>	<u>-</u>	<u>278,620</u>	<u>815,475</u>
At 31 March 2017	<u>11,151,677</u>	<u>7,481,135</u>	<u>53,855</u>	<u>1,456,746</u>	<u>20,143,413</u>
<b>DEPRECIATION</b>					
At 1 April 2016	3,960,745	5,090,660	36,487	1,069,525	10,157,417
Charge for year	<u>632,641</u>	<u>825,941</u>	<u>7,361</u>	<u>98,433</u>	<u>1,564,376</u>
At 31 March 2017	<u>4,593,386</u>	<u>5,916,601</u>	<u>43,848</u>	<u>1,167,958</u>	<u>11,721,793</u>
<b>NET BOOK VALUE</b>					
At 31 March 2017	<u>6,558,291</u>	<u>1,564,534</u>	<u>10,007</u>	<u>288,788</u>	<u>8,421,620</u>
At 31 March 2016	<u>6,971,296</u>	<u>2,073,256</u>	<u>17,368</u>	<u>108,601</u>	<u>9,170,521</u>

**17. FIXED ASSET INVESTMENTS****Company**

	Shares in group undertakings
£	
<b>MARKET VALUE</b>	
At 1 April 2016 and 31 March 2017	1
<b>NET BOOK VALUE</b>	
At 31 March 2016 and 31 March 2017	<u>1</u>

There were no investment assets outside the UK.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**17. FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of companies included the following:

**Mytime Enterprises Limited (company number 04851004)**

Nature of business: Sale of food and beverages and the provision of catering services

Class of share:	%		
Ordinary	holding		
	100	31.3.17	31.3.16
		£	£
Aggregate capital and reserves		1	(15,088)
Profit for the year		<u>15,089</u>	<u>65,388</u>

**18. STOCKS**

	Group		Company	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Stocks	<u>370,991</u>	<u>334,592</u>	<u>323,660</u>	<u>288,580</u>

Stock amounts recognised within expenditure for the current period are £1,946,359 (2016 - £2,247,821).

**19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Trade debtors	639,432	974,823	595,832	958,315
Amounts owed by group undertakings	-	-	25,492	11,110
Other debtors	28,430	24,677	28,430	24,677
Prepayments and accrued income	<u>756,939</u>	<u>759,708</u>	<u>756,938</u>	<u>759,708</u>
	<u>1,424,801</u>	<u>1,759,208</u>	<u>1,406,692</u>	<u>1,753,810</u>

**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Other loans (see note 22)	-	146,800	-	146,800
Trade creditors	732,305	551,609	666,255	498,488
Tax	3,772	2,446	-	-
Social security and other taxes	269,274	263,098	269,273	263,098
V.A.T.	95,546	117,575	95,546	117,575
Other creditors	107,493	57,489	107,493	57,489
Deferred income	1,329,928	1,411,193	1,329,928	1,411,193
Accrued expenses	<u>1,602,525</u>	<u>2,353,895</u>	<u>1,598,250</u>	<u>2,349,395</u>
	<u>4,140,843</u>	<u>4,904,105</u>	<u>4,066,745</u>	<u>4,844,038</u>

Deferred income relates to memberships paid in advance which were received in the current year. The amount deferred at 31 March 2016 has been released to the Statement of Financial Activities in full.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	31.3.17 £	31.3.16 £	31.3.17 £	31.3.16 £
Other loans (see note 22)	-	587,200	-	587,200
	<u>-</u>	<u>587,200</u>	<u>-</u>	<u>587,200</u>

**22. LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.17 £	31.3.16 £	31.3.17 £	31.3.16 £
Amounts falling due within one year on demand: Other loans	-	146,800	-	146,800
Amounts falling due between one and two years: Other loans	-	146,800	-	146,800
Amounts falling due between two and five years: Other loans	-	440,400	-	440,400
Amounts falling due in more than five years: Other loans	-	-	-	-

**23. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be made within the specified periods:

**Group and company**

	Land and buildings		Equipment	
	31.3.17 £	31.3.16 £	31.3.17 £	31.3.16 £
Amounts to be paid:				
Within one year	316,738	378,440	22,747	29,328
Between one and five years	1,392,550	764,560	26,794	22,700
In more than five years	<u>2,733,273</u>	<u>2,484,820</u>	-	-
	<u>4,442,561</u>	<u>3,627,820</u>	<u>49,541</u>	<u>52,028</u>

**24. PROVISIONS FOR LIABILITIES****Group and company**

	31.3.17 £	31.3.16 £
Provisions	<u>376,874</u>	<u>421,984</u>

The Charitable Company's premises are leased under operating leases. The majority of leases include end of lease rectification clauses which impose certain requirements on the Charitable Company to complete repairs and maintenance or re-decoration activities if required. The Charitable Company provides for repairs and maintenance obligations as it becomes aware of any significant amounts that will be required. The Charitable Company does not provide for amounts where the potential exposure cannot be reliably measured and accordingly does not anticipate potential repairs and maintenance. Additionally the Charitable Company maintains the centres to a high standard and completes any necessary repairs and maintenance on a timely basis, addressing any events that require expenditure throughout the lease period as and when required. Such costs are expensed as incurred.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**25. EMPLOYEE BENEFIT OBLIGATIONS**

The Charitable Company operates defined benefit pension schemes for some employees. The Charitable Company has admitted body status to the pension funds. Contributions to the schemes are charged to the Statements of Financial Activities so as to spread the cost of pensions over employees' working lives with the Charitable Company in such a way that the pension cost is a substantial level percentage of future pensionable payroll.

Actuarial valuations of the schemes are performed by a qualified actuary using the projected unit method. The most recent formal valuations of the schemes were at 31 March 2016 and this has been updated to 31 March 2017.

	Defined benefit pension plans	
	31.3.17	31.3.16
	£	£
Present value of funded obligations	(17,735,000)	(12,543,000)
Fair value of plan assets	<u>15,964,000</u>	<u>11,427,000</u>
	(1,771,000)	(1,116,000)
Present value of unfunded obligations	<u>(25,000)</u>	<u>(20,000)</u>
Deficit	<u>(1,796,000)</u>	<u>(1,136,000)</u>
Net liability	<u>(1,796,000)</u>	<u>(1,136,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.3.17	31.3.16
	£	£
Current service cost	95,000	60,000
Net interest cost	44,000	52,000
Administration expenses	<u>1,000</u>	<u>1,000</u>
	<u>140,000</u>	<u>113,000</u>
Actual return on plan assets	<u>2,929,000</u>	<u>247,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.3.17	31.3.16
	£	£
Actuarial (losses) / gains	<u>(581,000)</u>	<u>439,000</u>
	<u>(581,000)</u>	<u>439,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017**

**25. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.3.17	31.3.16
	£	£
Defined benefit obligation	(12,563,000)	(13,295,000)
Current service cost	(95,000)	(60,000)
Contributions by scheme participants	(23,000)	(13,000)
Interest cost	(516,000)	(461,000)
Re-measurement (losses) / gains	(4,865,000)	1,071,000
Benefits paid	<u>302,000</u>	<u>195,000</u>
	<u>(17,760,000)</u>	<u>(12,563,000)</u>

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

	Defined benefit pension plans	
	31.3.17	31.3.16
	£	£
Fair value of scheme assets	11,427,000	11,781,000
Contributions by employer	61,000	52,000
Contributions by scheme participants	23,000	13,000
Interest on plan assets	472,000	409,000
Re-measurement gains / (losses)	4,284,000	(632,000)
Benefits paid	(302,000)	(195,000)
Administration expenses	<u>(1,000)</u>	<u>(1,000)</u>
	<u>15,964,000</u>	<u>11,427,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.3.17	31.3.16
Equities	75.00%	72.20%
Bonds	15.00%	16.30%
Cash	1.00%	1.30%
Other	7.60%	9.40%
Property	<u>1.40%</u>	<u>0.80%</u>
	<u>100.00%</u>	<u>100.00%</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**25. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Principal actuarial assumptions at the balance sheet date:

	31.3.17	31.3.16
Discount rate	2.5% - 2.8%	3.6% - 3.8%
Future salary increases	2.8% - 4.2%	3.5% - 4.2%
Future pension increases	2.0% - 2.7%	2.0% - 2.2%
Price increases	2.0% - 2.7%	2.0% - 2.2%

The following table sets out the sensitivity analysis produced by the actuary reporting in respect of the London Borough of Bromley Pension Fund:

	Central	+ 0.1% discount rate	+0.1% inflation	1 year increase in life expectancy
	£	£	£	£
Deficit	(1,372,000)	(1,112,000)	(1,637,000)	(1,664,000)
Projected service cost for next year	38,000	37,000	39,000	39,000
Projected interest cost for next year	34,000	29,000	41,000	42,000

The following table sets out the sensitivity analysis produced by the actuary reporting in respect of the East Sussex Pension Fund:

	Approximate % increase to Employer Liability	Approximate monetary Amount (£)
0.5% decrease in Real Discount Rate	13%	130,000
0.5% increase in the Salary Increase Rate	2%	20,000
0.5% increase in the Pension Increase Rate	11%	108,000

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

**Defined benefit pension plans**

	31.3.17	31.3.16	31.3.15	31.3.14	31.3.13
Defined benefit obligation	(17,760,000)	(12,563,000)	(13,295,000)	(11,181,000)	(11,713,000)
Fair value of scheme assets	15,964,000	11,427,000	11,781,000	10,274,000	8,861,000
Deficit	(1,796,000)	(1,136,000)	(1,514,000)	(907,000)	(2,852,000)
Experience adjustments on scheme assets	-	-	969,000	1,296,000	669,000
Experience adjustments on scheme liabilities	689,000	1,000	-	350,000	-

The contract between the Charitable Company and the London Borough of Bromley stipulates that if the contract is not renewed at the termination date of 31 March 2024 then there is a requirement for the Charitable Company to meet any actuarial net pension liability at that date in respect of current and former pensionable employees.

Should the termination of the contract with the London Borough of Bromley be by reason of the Charitable Company's cessation to trade then any net pension liability which is not met by the Charitable Company will pass to the London Borough of Bromley who with the help of the actuary will have power under the regulations to seek additional payments from other participating employers in the London Borough of Bromley Pension Fund in restoring the outstanding deficit.

Employer contribution rates for the year ending 31 March 2018 are LBB 38.8% East Sussex 13.8%. Kent 29.4%, and Hampshire 12.4%.

**26. CONTINGENT LIABILITIES**

The Charitable Company has contingent liabilities in respect of Performance Guarantees amounting to £549,956 (2016: £549,462).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**27. ANALYSIS OF NET ASSETS BETWEEN FUNDS****Company**

	Unrestricted fund	Restricted funds	31.3.17 Total funds	31.3.16 Total funds
	£	£	£	£
Fixed assets	8,421,620	-	8,421,620	9,334,720
Investments	1	-	1	1
Current assets	12,600,262	159,975	12,760,237	11,228,012
Current liabilities	(4,066,745)	-	(4,066,745)	(4,844,038)
Long term liabilities	-	-	-	(587,200)
Provision for liabilities	(376,874)	-	(376,874)	(421,984)
Pension liability	(1,796,000)	-	(1,796,000)	(1,136,000)
	<u>14,782,264</u>	<u>159,975</u>	<u>14,942,239</u>	<u>13,573,511</u>

**28. MOVEMENT IN FUNDS**

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
<b>Unrestricted funds</b>			
Fixed asset fund	9,334,720	(913,100)	8,421,620
General fund	4,047,967	2,312,677	6,360,644
	13,382,687	1,399,577	14,782,264
<b>Restricted funds</b>			
Active Lifestyles	67,762	-	67,762
MyFuture	38,544	(6,909)	31,635
Arts train	61,714	(36,214)	25,500
Healthy Ageing Programme	-	16,870	16,870
Active Bromley - CIF	13,399	(7,029)	6,370
Get Active	9,405	2,433	11,838
	190,824	(30,849)	159,975
<b>TOTAL FUNDS</b>	<u>13,573,511</u>	<u>1,368,728</u>	<u>14,942,239</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**28. MOVEMENT IN FUNDS - continued**

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

	Income	Expenditure	Gains, losses and transfers	Movement in funds
	£	£	£	£
<b>Unrestricted funds</b>				
Fixed asset fund	-	(1,728,575)	815,475	(913,100)
General fund	32,962,350	(29,253,198)	(1,396,475)	2,312,677
	<u>32,962,350</u>	<u>(30,981,773)</u>	<u>(581,000)</u>	<u>1,399,577</u>
<b>Restricted funds</b>				
MyFuture	24,547	(31,456)	-	(6,909)
Arts train	25,928	(62,142)	-	(36,214)
Healthy Ageing Programme	25,413	(8,543)	-	16,870
Active Bromley - CIF	1,880	(8,909)	-	(7,029)
Get Active	19,237	(16,804)	-	2,433
	<u>97,005</u>	<u>(127,854)</u>	<u>-</u>	<u>(30,849)</u>
<b>TOTAL MOVEMENT IN FUNDS</b>	<u><u>33,059,355</u></u>	<u><u>(31,109,627)</u></u>	<u><u>(581,000)</u></u>	<u><u>1,368,728</u></u>

**Transfers**

Fixed asset additions for the year of £815,475 are shown as a transfer from unrestricted general funds to unrestricted fixed asset funds.

**Active Lifestyles**

Active Lifestyles budget for provision of our referral programmes in partnership with Primary Care Trust.

**MyFuture**

MyFuture is a Sports Outreach programme working in targeted areas of Bromley to provide quality activities for young people aged 11-19. The partnership includes Mytime Active, the London Borough of Bromley, Clarian Housing Association and the Harris Academy Orpington. The programme offers free activity sessions each week.

**Arts Train**

This is a borough-wide project which gives young people access to a diverse range of creative music-making opportunities. Funders and partners include Youth Music, Art Council England and Clarian Housing Association.

**Healthy Ageing Programme**

Funding sourced through a range of partners, including Pro Active Bromley to increase physical activity opportunities for older people.

**Active Bromley - CIF**

Funding sourced through the Pro Active Bromley sports activation project to deliver community projects with a range of partners.

**Get Active**

A project funded by England Golf to increase the number of black and minority community groups and individuals into golf in Birmingham.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017**

**29. CAPITAL COMMITMENTS**

	<b>Group</b>		<b>Company</b>	
	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
Contracted for but not provided for in the financial statements	<u>2,654,210</u>	<u>-</u>	<u>2,654,210</u>	<u>-</u>

**30. OTHER CAPITAL EXPENDITURE**

Capital expenditure approved but not committed to at the balance sheet date totalled £114,540 (2016: £nil).

**31. LEGAL STATUS**

The Charity is a Company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**32. RELATED PARTY TRANSACTIONS**

No related party transactions requiring disclosure were undertaken in the years ended 2016 or 2017.

**33. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party. The Board of Trustees and the management team are responsible for the strategic and operational decisions of the Charitable Company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**34. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds	Restricted Funds	31.3.16 Total Funds
	£	£	£
<b>INCOME</b>			
<i>Income from charitable activities:</i>			
Operation of leisure, recreation sites and health activities	30,547,781	5,700	30,553,481
Other funding	286,648	104,686	391,334
Grants	-	4,648	4,648
	<u>30,834,429</u>	<u>115,034</u>	<u>30,949,463</u>
<i>Income from other trading activities:</i>			
Commercial trading operations	<u>1,604,271</u>	<u>-</u>	<u>1,604,271</u>
<i>Income from investments:</i>			
Investment income	<u>71,738</u>	<u>-</u>	<u>71,738</u>
	<u>1,676,009</u>	<u>-</u>	<u>1,676,009</u>
<b>Total income</b>	<u><b>32,510,438</b></u>	<u><b>115,034</b></u>	<u><b>32,625,472</b></u>
<b>EXPENDITURE</b>			
<i>Costs of generating funds:</i>			
Commercial trading operations	1,538,883	-	1,538,883
<i>Expenditure on charitable activities:</i>			
Operation of leisure, recreation sites and health activities	<u>29,755,654</u>	<u>420,770</u>	<u>30,176,424</u>
<b>Total expenditure</b>	<u><b>31,294,537</b></u>	<u><b>420,770</b></u>	<u><b>31,715,307</b></u>
<b>Net income for the year before actuarial gains / (losses) under FRS102</b>	1,215,901	(305,736)	910,165
Re-measurements on defined benefit schemes	<u>439,000</u>	<u>-</u>	<u>439,000</u>
<b>Net income / (expenditure)</b>	1,654,901	(305,736)	1,349,165
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>11,727,786</u>	<u>496,560</u>	<u>12,224,346</u>
<b>Total funds carried forward</b>	<u><b>13,382,687</b></u>	<u><b>190,824</b></u>	<u><b>13,573,511</b></u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.





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**Mr Richard Hicks**

Director Regeneration, Culture, Environment and Transformation  
 & Deputy Chief Executive  
 Medway Council  
 Gun Wharf  
 Dock Road  
 Chatham  
 Kent  
 ME4 4TR

16<sup>th</sup> April 2018

**Con: Deangate Ridge Golf Course/Mytime Active**

Dear Mr Hicks,

I am writing to you in response to recent publications and suggestions of our support and corporation with *Deangate community partnership* in a hope to offer clarity around our position and an accurate portrayal of this relationship.

Discussions have taken place between *Deangate community partnership* and our local management team from our nearby Cobtree Manor Park Golf club. These conversations have been supportive and with good intentions to the cause of the partnership, however there has been publications of our alignment to the cause that have been overly expressed and in fact misconstrued in many cases. I want to offer clarity that Mytime Active, despite an empathy to the cause, are not in collaboration with *Deangate community Partnership* and that any expression of interest received has been sent without our authority or agreement. We have discussed this with the partnership and they understand our position.

**Offer of Support**

We acknowledge that the Golf course did indeed close on 14<sup>th</sup> April 2018, however if there was a requirement to temporarily manage or support any continued services at the golf course, athletics track, bowls club or football pitches we would be able to offer a provision and would welcome a discussion with the authority. We have experience in supporting authorities with operating facilities, through difficult transitional periods, such as when golf courses are the subject to public debate (on their future). We recognise the socio-economic and housing challenges the authority is facing and can fully understand the rationale behind the decision to close Deangate Ridge and therefore we would want to distance ourselves from any political position on this matter.

We believe our approach would significantly reduce the council's liabilities and we would be happy to manage the services with an 'open accounts' principal in place to reassure the authority of our impact.



We would welcome an opportunity to speak directly with the authority about the above and any further shared community outcomes that compliment both our strategies to improve the health and wellbeing of the populations we serve.

I look forward to hearing from you soon.

Yours Sincerely

Adam Smith  
Business Development Manager  
[Adam.smith@mytimeactive.co.uk](mailto:Adam.smith@mytimeactive.co.uk)