

COMPANY REGISTRATION NUMBER: 07829589
CHARITY REGISTRATION NUMBER: 1156455

Atlantic Racquet Centre
Company Limited by Guarantee
Financial Statements
31 December 2022

WESTCOTTS (SW) LLP
Chartered Accountants & Statutory Auditors
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Atlantic Racquet Centre
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2022

	Pages
Trustees' annual report (incorporating the director's report)	1 to 5
Independent auditor's report to the members	6 to 9
Statement of financial activities (including income and expenditure account)	10
Group statement of financial position	11
Company statement of financial position	12
Notes to the financial statements	13 to 27

Atlantic Racquet Centre
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 December 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2022.

Reference and administrative details

Registered charity name	Atlantic Racquet Centre
Charity registration number	1156455
Company registration number	07829589
Principal office and registered office	Atlantic Raquet Centre Farm Road Clovelly Road Industrial Estate Bideford EX39 3BE
The trustees	Anoushka Lynd Neil Darnley Mark Clayton Atlantic Coast Co-Operative Trust David Vinall The Northam Care Trust
Company secretary	Anoushka Lynd
Auditor	Westcotts (SW) LLP Chartered accountants & Statutory Auditors 47 Boutport Street Barnstaple Devon EX31 1SQ

Structure, governance and management

Organisational structure

The directors of the company are also charity trustees for the purposes of charity law. All of the trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Anoushka Lynd is the Chief Executive Officer for the charity.

Atlantic Racquet Centre

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Structure, governance and management *(continued)*

Recruitment and appointment of trustees

Under the requirements of the Memorandum and Articles of Association one third of the directors stood down at the AGM held in February 2022 and were subsequently re-elected. At each subsequent general meeting one-third of directors must retire from office but are eligible to stand for reappointment.

Induction and training of trustees

We have a full induction programme in place for all new trustees which covers information about the charity and the expectations of a new trustee. We share information on all of our policies and cover safeguarding.

Related party relationships

Related party transactions are identified by the trustees on an ongoing basis with any transactions monitored.

Risk statement

The trustees meet on a monthly basis to make strategic decisions regarding the operation of the Charity and the development of the facilities. Risk is managed through these meetings.

The key risk faced by the charity is failure to secure funds to complete the facilities. At present we have a funding gap of £150,000 and are seeking ways to finance the final stage of our project.

From an operational perspective, the trustees continue to focus on ensuring the sustainability of our current facilities through monthly financial reporting and review of utilisation. We continue to monitor inflation and the impact of this on our overheads.

Safeguarding of children and vulnerable adults is another area which is seen as inherently risky for ARC. The trustees have adopted appropriate policies and procedures. We have a safeguarding committee who monitor all activities at ARC and ensure the safety and wellbeing of all users of the centre.

Wider network involvement

ARC's future success will be reliant upon retaining help from volunteers and through building relationships across a wider network. In 2022 we continued to develop and evolve our volunteer programme to nurture our culture and provide opportunities to the wider community. We currently have over 30 inducted volunteers working on our programme.

To ensure the facilities are utilised to their maximum potential, ARC has a wholly owned subsidiary - ARC Centre Ltd. This subsidiary is responsible for the trading activities of ARC including the management of the facility on a day to day basis. This has been achieved through a lease of the premises.

ARC Centre Ltd manage a number of relationships with the wider community. We work closely with a number of organisations who use our facilities. Our most valuable relationships is with ARC Tennis & Sports Club – a CASC with over 1,400 members. ARC Tennis & Sports Club licence the facilities from ARC Centre Ltd for the enjoyment of their members.

Atlantic Racquet Centre

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Structure, governance and management *(continued)*

Wider network involvement *(continued)*

We have continued to work closely with the Atlantic Co-operative Trust - a charitable co-operative body of seven local primary and junior schools. This working partnership has enabled us to deliver tennis activities to 7 local primary schools with over 1,500 participants. This relationship is key to delivery of our charitable objectives and continues to be a significant focus of our work.

During 2022, we have focused on delivery of a fully accessible programme with The Northam Care Trust (NCT). NCT bring their clients to our inclusive community sessions each week, using all of our facilities. NCT also have an employee who is regularly on-site to support clients whilst using our facilities. We look forward to continuing to strengthen this partnership in 2023.

Objectives and activities

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim 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 trustees have therefore complied with the duty in section 17(5) of the 2011 Charities Act.

Aims and objectives

Our vision

A community racquet and fitness centre where everyone can exercise, socialise and develop skills in a safe and supportive environment; an organisation that improves the health and wellbeing of all local people.

Our mission

Our mission is to provide a high quality, professionally managed, affordable, sustainable and welcoming community sports hub. Our staff, volunteers and members will promote a fun, family focused, inclusive ethos across a wide-ranging programme in which everyone will be equally valued and provided for.

Our aims, objectives and activities each year are reviewed to see what we have achieved and the outcomes of our work in the previous 12 months. The review looks at the success of our key activity and the benefits these have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remain focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim 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.

Our primary aim has been, and continues to be, focused on the infrastructure and development of our first class facilities at Caddsdawn.

Use of volunteers

In addition to the committed trustees, ARC would not have reached this level of success without the significant number of volunteers who have helped make this project a reality. Thank you to each and every one of them. These donated services are not included in the SOFA.

Atlantic Racquet Centre

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Achievements and performance

Achievements

Our key focus during 2022 was to ensure sustainability of the facilities in the first instance whilst continuing to secure funding for the remainder of the project. We now offer access to multiple activities including tennis, squash, racketball, badminton, table tennis, gym and fitness. The final phase of our build will provide a multi-use facility, akin to a village hall, and a community café.

Financial review

ARC aims to be in a net asset position at the end of each financial year. The reserves currently held represent the assets in use at the facility and cash held for the future development of the facility. Due to the nature of the ongoing development work cash is held in easily accessible bank accounts to ensure our financial liabilities can be met each month.

Capitalisation policy

The trustees consider capitalising expenditure in excess of £500.

Plans for future periods

The trustees are very focused on delivering the rest of the project over the coming two years.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Atlantic Racquet Centre

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 26/09/2023 and signed on behalf of the board of trustees by:



Anoushka Lynd
Trustee

Atlantic Racquet Centre

Company Limited by Guarantee

Independent Auditor's Report to the Members of Atlantic Racquet Centre

Year ended 31 December 2022

Opinion

We have audited the group and parent entity financial statements of Atlantic Racquet Centre (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities (including income and expenditure account), consolidated and charity statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2022 and of its 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;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other matters

In the previous accounting period the Trustees of the charity took advantage of audit exemption under s144 of the Charities Act 2011. Therefore the prior period financial statements were not subject to audit.

Atlantic Racquet Centre
Company Limited by Guarantee

Independent Auditor's Report to the Members of Atlantic Racquet Centre
(continued)

Year ended 31 December 2022

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Atlantic Racquet Centre

Company Limited by Guarantee

Independent Auditor's Report to the Members of Atlantic Racquet Centre

(continued)

Year ended 31 December 2022

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and other management and from inspection of the charity's regulatory correspondence. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The charity is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other charity legislation. The charity is also subject to many other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery and certain aspects of charity legislation.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Atlantic Racquet Centre

Company Limited by Guarantee

Independent Auditor's Report to the Members of Atlantic Racquet Centre

(continued)

Year ended 31 December 2022

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Westcotts (SW) LLP

Westcotts (SW) LLP
Chartered Accountants & Statutory Auditors
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

26th September 2023

Atlantic Racquet Centre
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)

Year ended 31 December 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	50,661	146,701	197,362	192,309
Other trading activities	6	7,592	–	7,592	770
Investment income	7	103	–	103	12
Other income	8	119,013	–	119,013	125,244
Total income		<u>177,369</u>	<u>146,701</u>	<u>324,070</u>	<u>318,335</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	9	1,619	–	1,619	737
Expenditure on charitable activities	10,11	194,993	21,437	216,430	249,469
Total expenditure		<u>196,612</u>	<u>21,437</u>	<u>218,049</u>	<u>250,206</u>
Net income		<u>(19,243)</u>	<u>125,264</u>	<u>106,021</u>	<u>68,129</u>
Transfers between funds		3,805	(3,805)	–	–
Net movement in funds		<u>(15,438)</u>	<u>121,459</u>	<u>106,021</u>	<u>68,129</u>
Reconciliation of funds					
Total funds brought forward		1,743,854	788,381	2,532,235	2,464,106
Total funds carried forward		<u>1,728,416</u>	<u>909,840</u>	<u>2,638,256</u>	<u>2,532,235</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 27 form part of these financial statements.

Atlantic Racquet Centre
Company Limited by Guarantee
Statement of Financial Position

31 December 2022

GROUP	Note	2022	2021
		£	£
Fixed assets			
Tangible fixed assets	16	3,360,355	3,293,042
Current assets			
Stocks	18	3,105	1,840
Debtors	19	14,215	25,572
Cash at bank and in hand		97,935	33,186
		<u>115,255</u>	<u>60,598</u>
Creditors: amounts falling due within one year	20	159,757	139,356
Net current liabilities			<u>44,502</u>
Total assets less current liabilities		<u>3,315,853</u>	<u>3,214,284</u>
Creditors: amounts falling due after more than one year	21	677,597	682,049
Net assets		<u>2,638,256</u>	<u>2,532,235</u>
Funds of the charity			
Restricted funds		909,840	788,381
Unrestricted funds		1,728,416	1,743,854
Total charity funds	24	<u>2,638,256</u>	<u>2,532,235</u>

For the year ending 31 December 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 26/09/2023, and are signed on behalf of the board by:



Anoushka Lynd
Trustee

The notes on pages 13 to 27 form part of these financial statements.

Atlantic Racquet Centre
Company Limited by Guarantee
Statement of Financial Position

31 December 2022

COMPANY	Note	2022 £	£	2021 £
Fixed assets				
Tangible fixed assets	16		3,292,143	3,220,443
Investments	17		1	1
			<u>3,292,144</u>	<u>3,220,444</u>
Current assets				
Stocks	18	-		972
Debtors	19	14,925		18,022
Cash at bank and in hand		94,043		32,690
		<u>108,968</u>		<u>51,684</u>
Creditors: amounts falling due within one year	20	149,828		160,761
Net current liabilities			<u>40,860</u>	<u>109,077</u>
Total assets less current liabilities			<u>3,251,284</u>	<u>3,111,367</u>
Creditors: amounts falling due after more than one year	21		581,063	579,115
Net assets			<u>2,670,221</u>	<u>2,532,252</u>
Funds of the charity				
Restricted funds			909,840	788,381
Unrestricted funds			1,760,381	1,743,871
Total charity funds	24		<u>2,670,221</u>	<u>2,532,252</u>

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Anoushka Lynd
Trustee

The notes on pages 13 to 27 form part of these financial statements.

Atlantic Racquet Centre
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 December 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 64 Benedict Street, Glastonbury, BA6 9EY, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The charity has taken advantage of the exemptions in the Charities SORP (FRS102) as it is classed as a small charity including the requirement to prepare a cashflow statement.

Consolidation

These financial statements consolidate the results of the company ARC Centre Limited, company number 09357363 and ARC Solar Limited, company number 13360598, registered address Atlantic Racquet Centre, Caddsdow Industrial Park, EX39 3DX on a line by line basis.

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by Section 408 of the Companies Act 2006. The surplus for the year was £137,969 (2021: £68,216)

Atlantic Racquet Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Atlantic Racquet Centre
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Incoming resources *(continued)*

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

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

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Tangible assets

All fixed assets are initially recorded at cost.
The trustees consider capitalising expenditure in excess of £500.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	2% straight line
Court & Floodlights	-	5% straight line
Equipment	-	25% straight line
Clubhouse	-	10% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Atlantic Racquet Centre
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Atlantic Racquet Centre
Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2022

4. Limited by guarantee

Atlantic Racquet Centre is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	50,488	2,306	52,794
Grants			
Grants receivable	173	144,395	144,568
Covid-19 Grants	—	—	—
	<u>50,661</u>	<u>146,701</u>	<u>197,362</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	79,128	—	79,128
Grants			
Grants receivable	18,884	36,177	55,061
Covid-19 Grants	58,120	—	58,120
	<u>156,132</u>	<u>36,177</u>	<u>192,309</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising events	173	173	—	—
Merchandise	267	267	58	58
Food and drink	6,583	6,583	194	194
Hoodies income	569	569	518	518
	<u>7,592</u>	<u>7,592</u>	<u>770</u>	<u>770</u>

Atlantic Racquet Centre
Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2022

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	103	<u>103</u>	12	<u>12</u>

8. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Income from facility hire	92,522	92,522	62,232	62,232
Licence income	13,500	13,500	6,500	6,500
Other revenue	1,778	1,778	55,239	55,239
Balls and Equipment income	—	—	837	837
Gym income	11,213	11,213	436	436
	<u>119,013</u>	<u>119,013</u>	<u>125,244</u>	<u>125,244</u>

9. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Direct costs	1,619	<u>1,619</u>	737	<u>737</u>

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Sports & fitness activities	172,636	21,437	194,073
Support costs	22,357	—	22,357
	<u>194,993</u>	<u>21,437</u>	<u>216,430</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Sports & fitness activities	214,105	19,656	233,761
Support costs	14,186	1,522	15,708
	<u>228,291</u>	<u>21,178</u>	<u>249,469</u>

Atlantic Racquet Centre
Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2022

11. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022	Total fund 2021
	£	£	£	£
Sports activities	<u>194,073</u>	<u>22,357</u>	<u>216,430</u>	<u>249,469</u>

12. Analysis of support costs

	Total 2022	Total 2021
	£	£
Advertising and marketing	1,311	1,927
Bank charges	182	187
General expenses	8,582	5,405
Finance charges	3,384	2,850
Consulting	–	–
Legal and professional	2,556	1,250
Independent examination and accountancy fees	–	1,310
Auditors remuneration	4,095	
Telephone	1,587	2,011
Interest payable	660	768
	<u>22,357</u>	<u>15,708</u>

13. Net income

Net income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>95,012</u>	<u>83,113</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	22,450	95,864
Social security costs	895	1,486
Employer contributions to pension plans	507	1,593
	<u>23,852</u>	<u>98,943</u>

The average head count of employees during the year was 8 (2021: 6). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Coaching and admin staff	<u>8</u>	<u>6</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

**Atlantic Racquet Centre
Company Limited by Guarantee**

Notes to the Financial Statements (continued)

Year ended 31 December 2022

15. Trustee remuneration and expenses

During the year no remuneration was paid to any Trustees (2021: £Nil).

During the year, no Trustees were paid expenses (2021: £Nil)

16. Tangible fixed assets

GROUP	Land and buildings £	Solar Equipment £	Equipment £	Clubhouse £	Total £
Cost					
At 1 January 2022	3,275,095	80,446	66,204	23,586	3,445,331
Additions	147,824	—	13,426	1,075	162,325
At 31 December 2022	<u>3,422,919</u>	<u>80,446</u>	<u>79,630</u>	<u>24,661</u>	<u>3,607,656</u>
Depreciation					
At 1 January 2022	111,587	8,045	16,764	15,893	152,289
Charge for the year	65,958	8,045	18,542	2,467	95,012
At 31 December 2022	<u>177,545</u>	<u>16,090</u>	<u>35,306</u>	<u>18,360</u>	<u>247,301</u>
Carrying amount					
At 31 December 2022	<u>3,245,374</u>	<u>64,356</u>	<u>44,324</u>	<u>6,301</u>	<u>3,360,355</u>
At 31 December 2021	<u>3,163,508</u>	<u>72,401</u>	<u>49,440</u>	<u>7,693</u>	<u>3,293,042</u>
 CHARITY					
		Land and buildings £	Equipment £	Clubhouse £	Total £
Cost					
At 1 January 2022		3,275,095	65,808	23,586	3,364,489
Additions		147,824	8,416	1,075	157,315
At 31 December 2022		<u>3,422,919</u>	<u>74,224</u>	<u>24,661</u>	<u>3,521,804</u>
Depreciation					
At 1 January 2022		111,587	16,566	15,893	144,046
Charge for the year		65,958	17,190	2,467	85,615
At 31 December 2022		<u>177,545</u>	<u>33,756</u>	<u>18,360</u>	<u>229,661</u>
Carrying amount					
At 31 December 2022		<u>3,245,374</u>	<u>40,468</u>	<u>6,301</u>	<u>3,292,143</u>
At 31 December 2021		<u>3,163,508</u>	<u>49,242</u>	<u>7,693</u>	<u>3,220,443</u>

Atlantic Racquet Centre
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

17. Investments

CHARITY	Shares in group undertakings £
Cost or valuation	
At 1 January 2022 and 31 December 2022	<u>1</u>
Impairment	
At 1 January 2022 and 31 December 2022	<u>-</u>
Carrying amount	
At 31 December 2022	<u>1</u>
At 31 December 2021	<u>1</u>

All investments shown above are held at valuation.

18. Stocks

	2022	2021
	£	£
Raw materials and consumables	<u>3,105</u>	<u>1,840</u>

19. Debtors

GROUP	2022	2021
	£	£
Trade debtors	2,311	877
Prepayments and accrued income	3,078	1,492
Other debtors	8,826	23,203
	<u>14,215</u>	<u>25,572</u>
 CHARITY	 2022	 2021
	£	£
Prepayments and accrued income	3,078	1,492
Other debtors	11,847	16,530
	<u>14,925</u>	<u>18,022</u>

**Atlantic Racquet Centre
Company Limited by Guarantee**

Notes to the Financial Statements (continued)

Year ended 31 December 2022

20. Creditors: amounts falling due within one year

GROUP	2022	2021
	£	£
Bank loans and overdrafts	6,400	6,400
Payments received on account	104	—
Trade creditors	6,907	104,604
Accruals and deferred income	4,207	5,459
Social security and other taxes	2,762	2,815
Other creditors	139,377	20,078
	<u>159,757</u>	<u>139,356</u>
CHARITY	2022	2021
	£	£
Trade creditors	5,864	101,771
Amounts owed to group undertakings	380	33,453
Accruals and deferred income	4,207	5,459
Other loans	139,377	20,078
	<u>149,828</u>	<u>160,761</u>

21. Creditors: amounts falling due after more than one year

GROUP	2022	2021
	£	£
Bank loans and overdrafts	16,533	22,933
Other creditors	661,064	659,116
	<u>677,597</u>	<u>682,049</u>
CHARITY	2022	2021
	£	£
Other creditors	581,063	579,115

22. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,378 (2021: £1,593).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Government grants income	—	58,120
	<u>—</u>	<u>58,120</u>

Atlantic Racquet Centre
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

24. Analysis of charitable funds

Unrestricted funds - GROUP

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
General funds	<u>1,743,854</u>	<u>177,369</u>	<u>(196,612)</u>	<u>3,805</u>	<u>1,728,416</u>

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
General funds	<u>1,661,813</u>	<u>282,158</u>	<u>(229,028)</u>	<u>28,911</u>	<u>1,743,854</u>

The unrestricted funds balance will be used to help fund phase 2 of the project as well as day to day operations of the charity.

Unrestricted funds - CHARITY

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
General funds	<u>1,743,871</u>	<u>106,914</u>	<u>(94,209)</u>	<u>3,805</u>	<u>1,760,381</u>

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
General funds	<u>1,661,743</u>	<u>146,070</u>	<u>(92,853)</u>	<u>28,911</u>	<u>1,743,871</u>

Atlantic Racquet Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

24. Analysis of charitable funds *(continued)*

Restricted funds - GROUP

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Phase 1 and 2	787,050	140,000	(18,541)	–	908,509
Changing places	–	–	–	–	–
Defibrillator fund	1,331	–	–	–	1,331
Bridge Trust	–	–	–	–	–
Table Tennis Donation	–	999	–	(999)	–
Bideford Town Council - Volunteer Program Funding	–	–	–	–	–
Kickstart Funding	–	2,896	(2,896)	–	–
Equipment Fund	–	2,306	–	(2,306)	–
TDC Councillor Grant	–	500	–	(500)	–
	<u>788,381</u>	<u>146,701</u>	<u>(21,437)</u>	<u>(3,805)</u>	<u>909,840</u>

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Phase 1 and 2	772,051	14,999	–	–	787,050
Changing places	25,335	–	–	(25,335)	–
Defibrillator fund	1,331	–	–	–	1,331
Bridge Trust	3,576	–	–	(3,576)	–
Table Tennis donation	–	–	–	–	–
Bideford Town Council - Volunteer Program Funding	–	4,000	(4,000)	–	–
Kickstart Funding	–	15,878	(15,878)	–	–
DCC - Volunteer funding	–	1,300	(1,300)	–	–
TDC Councillor Grant	–	–	–	–	–
	<u>802,293</u>	<u>36,177</u>	<u>(21,178)</u>	<u>(28,911)</u>	<u>788,381</u>

Atlantic Racquet Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

24. Analysis of charitable funds *(continued)*

Restricted funds - CHARITY

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Phase 1 & 2	787,050	140,000	(18,541)	–	908,509
Changing places	–	–	–	–	–
Defibrillator fund	1,331	–	–	–	1,331
Bridge Trust	–	–	–	–	–
Table Tennis Donation	–	999	–	(999)	–
Equipment fund	–	2,306	–	(2,306)	–
TDC Councillor Grant	–	500	–	(500)	–
	<u>788,381</u>	<u>143,805</u>	<u>(18,541)</u>	<u>(3,805)</u>	<u>909,840</u>

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Phase 1 & 2	772,051	18,999	(4,000)	–	787,050
Changing places	25,335	–	–	(25,335)	–
Defibrillator fund	1,331	–	–	–	1,331
Bridge Trust	3,576	–	–	(3,576)	–
Table Tennis Donation	–	–	–	–	–
Equipment fund	–	–	–	–	–
TDC Councillor Grant	–	–	–	–	–
	<u>802,293</u>	<u>18,999</u>	<u>(4,000)</u>	<u>(28,911)</u>	<u>788,381</u>

Atlantic Racquet Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

24. Analysis of charitable funds *(continued)*

The phase 1 and 2 fund balance represents grant income received in respect of phases 1 and 2 of the project.

Changing places funding has been received towards disabled facilities.

Defibrillator - money raised to enable ARC to have a defibrillator onsite. This has been completed with surplus money being raised to enable ongoing maintenance costs.

Bideford Bridge Trust – During 2020 funding was received towards equipment which has been fully spent in 2021.

Table Tennis donation – received in 2022 towards table tennis surrounds, this was fully spent in 2022.

Kickstart funding – government funding received as part of the Kickstart Scheme to create new jobs for 16 to 24 year olds

Equipment fund – donations received towards equipment purchased during 2022.

During the year grants and donations received towards the purchase of fixed assets have been released to unrestricted reserves when the restriction on the funds has been released by the purchase of the assets.

25. Analysis of net assets between funds

GROUP	Unrestricted	Restricted	Total Funds
	Funds	Funds	2022
	£	£	£
Tangible fixed assets	2,451,846	908,509	3,360,355
Current assets	113,924	1,331	115,255
Creditors less than 1 year	(179,759)	–	(179,759)
Creditors greater than 1 year	(657,595)	–	(657,595)
Net assets	1,728,416	909,840	2,638,256

	Unrestricted	Restricted	Total Funds
	Funds	Funds	2021
	£	£	£
Tangible fixed assets	2,505,992	787,050	3,293,042
Current assets	59,267	1,331	60,598
Creditors less than 1 year	(139,356)	–	(139,356)
Creditors greater than 1 year	(682,049)	–	(682,049)
Net assets	1,743,854	788,381	2,532,235

Atlantic Racquet Centre
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

25. Analysis of net assets between funds *(continued)*

CHARITY	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	2,383,634	908,509	3,292,143
Investments	1	–	1
Current assets	107,637	1,331	108,968
Creditors less than 1 year	(149,828)	–	(149,828)
Creditors greater than 1 year	(581,063)	–	(581,063)
Net assets	<u>1,760,381</u>	<u>909,840</u>	<u>2,670,221</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	2,433,393	787,050	3,220,443
Investments	1	–	1
Current assets	16,691	1,331	18,022
Creditors less than 1 year	(160,760)	–	(160,760)
Creditors greater than 1 year	(579,115)	–	(579,115)
Net assets	<u>1,710,210</u>	<u>788,381</u>	<u>2,498,591</u>

26. Contingencies

If Atlantic Racquet Centre fails to complete the build of the Centre the grants received from Sport England totalling £485,000 will be repayable on demand.

27. Related parties

During the year, the charity did not enter into any related party transactions (2021; £Nil)