

Deeping Leisure Centre Community Group CIC

Exit Strategy

In the event that the Deepings Community Leisure Centre CIC became financially unviable or could not continue to operate for other unforeseen reasons, an administrator would be appointed by the Regulator to deal with any assets and liabilities.

We understand that one of the main concerns is the potential cost implications, if, in extremis, the building had to be demolished.

At the present time, the Building would probably be considered a liability because of its state of repair. However, once the (Circa) £2M has been spent on the refurbishment – New roof, New heating – etc. the building would have value as an asset whether that be to the Anthem Trust*, a commercial Leisure Provider or another community or public organisation.

Any other liabilities are likely to be insignificant compared to the building. As a newly formed CIC we are extremely unlikely to be offered lines of credit from suppliers, loans from banks etc and thus would be very unlikely to accumulate any significant debt.

In the short to medium term, if something unforeseen happened to the building that had not been identified from previous structural surveys (e.g. subsidence or structural failure) or was due to some disaster (Flood, Fire, etc) then our insurance would cover those eventualities. In recognition of some concerns raised in this regard, we will revise the business plan to increase the budget line for insurance premiums to ensure sufficient cover, should this prove necessary.

In the longer term, if the building deteriorates, our plan shows the accumulation of a sinking fund which can be ringfenced. The original intention of this is to be able us to undertake more significant repairs and improvements in the longer term, however, if it transpired that the building was nearing end of life after perhaps 20 years, that sinking fund could ultimately be used for clearing the site.

As a non profit, community benefit organisation, we also expect to qualify for various grants, year on year, to be able to support improvements and repairs to the building over and above what has been budgeted for with our financial calculations.

As a CIC we have to nominate an Asset Locked Organisation as the beneficiary of any surplus assets following wind up or administration. Currently we have elected Deeping St James United Charities for this role but if the Council felt it was more appropriate, this could be changed to the Anthem Trust (or any successor organisation).

Mr Andy Pelling

January 2024

Director

**The Anthem Trust would likely want to mothball or fill in the pool but other parts of the building would be very useable for the school.*