

REGISTERED SOCIETY NUMBER: IP27793R (England and Wales)
HMRC CHARITY NUMBER: XR43398

REPORT OF THE COMMITTEE OF MANAGEMENT
AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
GREENWICH LEISURE LIMITED

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

TUESDAY



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12/09/2023
COMPANIES HOUSE

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FOR THE YEAR ENDED 31 DECEMBER 2022

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GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2022**

The Committee of Management present their report, with the consolidated financial statements of the Society and its subsidiaries for the year ended 31 December 2022. The Committee of Management have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

REFERENCE AND ADMINISTRATIVE DETAILS

Society Name

Greenwich Leisure Limited. Customer facing brand is 'Better'.

Registered Society number

IP27793R (England and Wales)

HMRC Charity number

XR43398

Registered office

Middlegate House
The Royal Arsenal
London
SE18 6SX

Committee of Management

J M Sesnan (Ex Officio)	- Resigned 31/12/2022
P Bunday (Ex Officio)	- Appointed 01/01/2023
A Ritchie	
G Kirk	
P Brooks (Councillor)	- Resigned 07/06/2022
M Perren	- Re-appointed 29/06/2022
E Thoroughgood	
W Wardulenska	- Resigned 29/06/2022
W Brown	
C Roberts	
S Tranchell	
C Myring	- Resigned 29/06/2022
N Palmer	
N Evans	
P Shearman	
A Kitchen	
E Lewis	
P Slattery (Councillor)	- Resigned 07/06/2022
R Gediking	
S Bauer (Councillor)	- Resigned 07/06/2022
A Rennie	- Appointed 29/6/2022
S Terry	- Appointed 29/6/2022
J Ranabhat (Councillor)	- Appointed 7/6/2022
S Thomas(Councillor)	- Appointed 7/6/2022
S Edwards	- Appointed 29/6/2022

Chief Executive

P Bunday

Secretary

P Donnay

Bankers

Barclays Bank
2 Churchill Place
Canary Wharf
London, E14 5RB

Auditors

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

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Committee of Management present their report with the financial statements of the Society for the year ended 31 December 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GLL is an Exempt Charity and a Registered Society under the Co-operative and Community Benefit Societies Act 2014. The Society operates for the benefit of the wider communities we serve and does not distribute profit. Any surplus is applied solely to a general reserve for the continuation and development of the Society. No financial dividend is paid out from the income generated by the society or any of the companies in the group structure.

We are a Charitable Social Enterprise owned by our staff and founded on our purpose and values to provide a different, fairer and better way of doing business.

Our purpose is to improve the physical, mental and social wellbeing of local communities.

GLL was established in 1993 with a portfolio of seven leisure centres in one Partnership. In 2022, the GLL Group directly managed over 400 facilities including leisure centres, play centres, children centres and libraries in partnership with over 60 local councils and other organisations across the length and breadth of the UK.

GLL will celebrate its 30th anniversary in 2023.

All charitable trading activities are undertaken directly by GLL with non-charitable activities operated through our wholly owned subsidiary GLL (Trading) Limited. Any surplus made by GLL (Trading) Limited is gift aided back to GLL. This structure is in place to ensure transparency and meet the guidance published by the Charity Commission.

The structure and purpose of GLL remain unchanged.

GLL continues to be acknowledged as the UK's leading and largest genuine charitable social enterprise delivering leisure, health, cultural and community services. We play a vital role in addressing the health and wellbeing of the nation.

We are different from most businesses in our chosen sectors. Different in how we govern, different in our social values and different in our commitment to make the world a better place to live in. We are proud of these differences. They run through all parts of our core business from planning, operation through to our investments.

GLL is governed by a Board of Trustees appointed by the annual general meeting. Our governing document is our rules, first registered in 1993, and last revised and re-registered with the Financial Conduct Authority on the 17th February 2010.

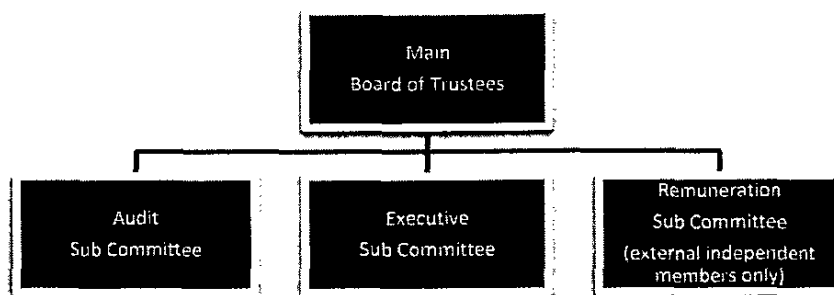
The GLL Board of Trustees has representation from a number of stakeholders including Local Authority members, Independent skilled professionals and significantly, the Workforce. This stakeholder mix has helped create empowerment, enthusiasm and ownership at all levels of the organisation.

In the governing document (our rules), the Board of Trustees is referred to as the "Committee of Management".

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)



The governance structure reporting to the Board includes the:

Executive Sub Committee for investment and urgent contractual or policy decisions (The Executive Sub Committee consisting of the Chair, Vice Chair, Treasurer, CEO and Secretary has full delegated authority from the Board to act on its behalf as and when necessary).

Audit Sub Committee responsible for managing GLL's risk register as well as signing off the Financial Statements annually on behalf of the Board.

Remuneration Sub Committee responsible for the employment and terms and conditions of the chief officers and the general pay and remuneration terms of all employees (No member of staff can sit on this subcommittee. It is constituted wholly by Independent Trustees).

The Board of Trustees reviews and sets the Strategy and Objectives annually in the context of a five year corporate plan. It normally meets quarterly to review progress and consider additional strategy and policy decisions.

GLL operates a risk register to record any potential risk the society may face. The risk register is a working document that is updated on an ongoing basis with mitigating strategies as necessary. The register is reviewed by the Audit Sub Committee as and when appropriate.

Day to day management and the delivery of GLL's annual corporate plan is delegated to the Chief Officer Group. The Chief Executive Officer reports to the Board of Trustees and is a full ex officio member of the Board.

At the time of executing this statement, the Chief Officer Group comprised of Peter Bunday (CEO), Philip Donnay (Deputy CEO & CFRO), Andy Bindon (Chief Officer for Change and Values) and Mark Sesnan (Chief Officer Group Strategic Advisor).

Recruitment and appointment of new Board Members

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

Induction and training of new Board Members

Board Members follow an induction and familiarisation programme as required, and attend development sessions to discuss improvement proposals, which also feature externally facilitated sessions as necessary.

Staff Empowerment

All eligible staff in GLL are encouraged to join the Society as voting members. This leads to a high level of commitment, empowerment and motivation resulting in an improved quality of service to the community.

We are more than just a leisure & cultural management company; **we are a staff-owned social enterprise that exists to provide both community benefit and improved lives.**

GLL was founded upon core principles of **social value and co-ownership** – where our staff colleagues, business partners and stakeholders work together to produce a better way of providing services and doing business.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Remuneration of Key Management Personnel

The Remuneration Sub Committee (RSC) made up entirely of Independent Trustees is responsible for determining the pay of key management personnel and for setting the annual pay awards for all employees and workers.

In summary:

- the Remuneration Sub Committee takes responsibility (i) for determining both the policy and structure for the chief officers' pay and benefits package, and their pay awards, and (ii) for approving the chief officers' recommendations on the pay awards for other employees and workers;
- the Chief Officer Group is responsible for the pay and benefits packages of all other employees and workers, and for making recommendations to the Remuneration Sub Committee on the annual pay award for all employees and workers other than themselves.

The full Board of Trustees remains responsible for the appointment and termination of the CEO although any termination payment is to be determined by the Remuneration Sub Committee.

In conducting its role, the RSC periodically reviews the remuneration of Chief Officers in line with the development of the Society. Past reviews have included the commissioning of independent surveys to ensure appropriate benchmarking of pay awards.

OBJECTIVES AND ACTIVITIES

The objects of the society as published in our rules are:

- (a) to provide or assist in the provision of facilities and services for the public benefit for recreational, sporting or other leisure time occupation in the interests of social welfare, healthy living and education, 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, and /or
- (b) to promote community participation in healthy living, and/or
- (c) to advance the education of the public in the benefits of healthy lifestyles, and /or
- (d) to advance the arts, culture and / or heritage, and / or
- (e) to provide support services relating to the above, and / or
- (f) to provide consultancy and advice to public, sporting and charitable organisations, and / or
- (g) such other charitable purposes beneficial to the community consistent with the objects above as the Trustees shall in their absolute discretion determine.

Since our formation in 1993, GLL has been proud of both our success and our difference in the leisure & cultural sector.

We are proud that we have always sought to define ourselves by being a leading social enterprise that is staff-owned, charitable and has community benefit at the heart of our mission. We want to be seen as different with our customers, partners and suppliers too and to celebrate our unique approach to partnership and customer experience.

Even without the pandemic, these are challenging times for our sector with continued economic uncertainty, increased cost of living, less public funding for leisure, sport & culture and increased competition leading to increased pressure on consumer spend and our existing service delivery models.

Our confidence in our expertise and differentiation in the marketplace is key as we continue to build long term partnerships and reengineer our service delivery to become more productive, more efficient and more successful.

As a staff-owned company, employees have always been at the core of our democracy, governance and productivity. We strive to be recognised as the most dynamic staff owned business in the UK and this big ambition needs suitably big commitment from all staff to learn, deliver and improve our services, business success and social impact.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES (continued)

In 2022, GLL worked in direct Partnership with the following Councils and organisations delivering some of their public services including leisure centres, libraries, play centres and children centres:

- Allerdale Borough Council
- Bath and North East Somerset Council
- Basingstoke and Deane Borough Council (indirect partnership)
- Belfast City Council
- Bridgend County Borough Council
- Cambridge City Council
- Cardiff City Council
- Carlisle City Council
- City of York
- Copeland Borough Council
- Cornwall Council
- Dudley Metropolitan Borough Council
- East Cambridge District Council
- Eden District Council
- Epsom and Ewell Borough Council
- Greater London Assembly
- Henley Town Council
- Lee Valley Regional Park Authority
- Lincolnshire County Council
- London Legacy Development Corporation
- London Borough of Barnet
- London Borough of Bromley
- London Borough of Camden
- London Borough of Croydon
- London Borough of Ealing
- London Borough of Lambeth
- London Borough of Hackney
- London Borough of Hammersmith & Fulham
- London Borough of Hillingdon
- London Borough of Islington
- London Borough of Lewisham
- London Borough of Merton
- London Borough of Tower Hamlets
- London Borough of Waltham Forest
- London Borough of Wandsworth
- London Playing Fields Foundation
- Manchester City Council
- Manchester Metropolitan University
- Newcastle City Council
- North Kesteven District Council
- Preston City Council
- Prestwood Sport and Leisure Association
- Reading Borough Council
- Reigate and Bansted Borough Council
- Royal Borough of Greenwich
- Royal Borough of Kensington & Chelsea
- Rugby Borough Council
- South Bucks District Council
- South Lakeland District Council
- South Oxfordshire District Council
- Swindon Borough Council

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

OBJECTIVES AND ACTIVITIES (continued)

- University of Manchester
- Vale of White Horse District Council
- Welwyn and Hatfield Borough Council
- West Oxfordshire District Council

This **partnership** approach with the various councils and organisations has been a key plank of our success. Each relationship is underpinned by a formal contract and each contract is subject to termination dates and possible tendering for renewal.

In addition, GLL worked in partnership with fellow social enterprises:

Freedom Leisure Limited in delivering the services of 6 public leisure centres in the South and South East for the following Councils:

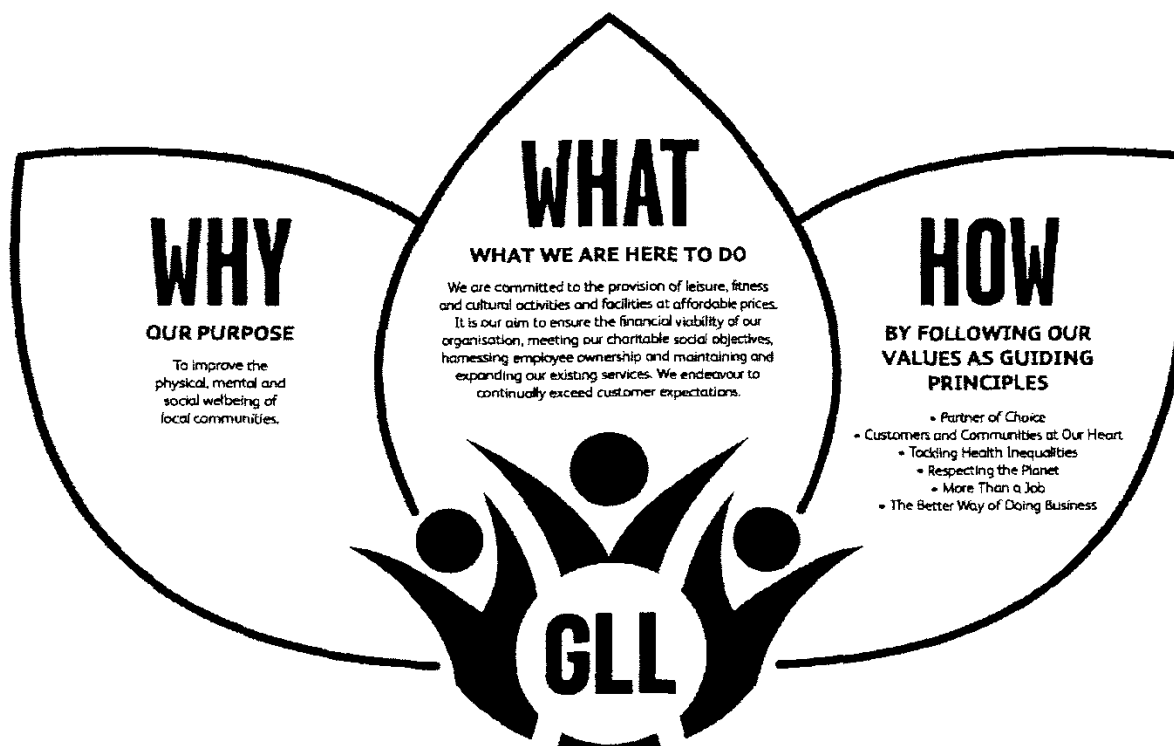
- Guildford Borough Council
- Woking Borough Council

Halo Leisure Limited in delivering services in 8 leisure centres for Bridgend County Borough Council.

CORE PURPOSE

GLL exists **to improve the physical, mental and social wellbeing of local communities**. Working in partnership with over 60 local councils, public agencies and sporting organisations, we provide affordable access to quality community facilities that include leisure centres, swimming pools, lidos, gyms, libraries, theatres, children's centres, playgrounds, nurseries and much more.

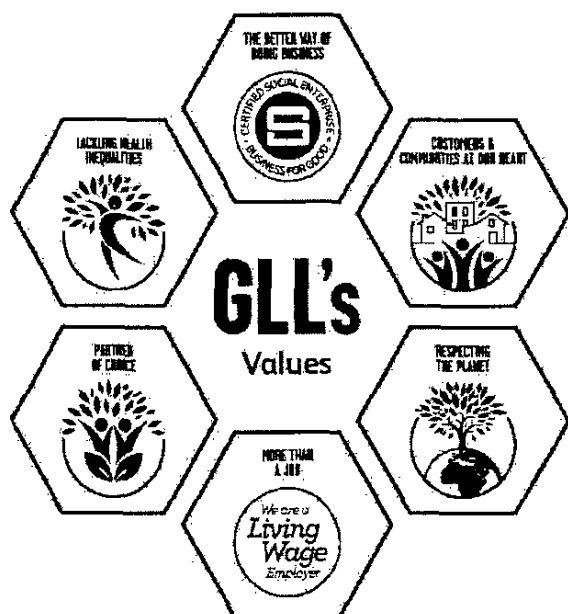
We believe GLL is unique and not just because we were the first leisure trust in the UK. As a leading charitable social enterprise that is staff-owned, we are different from other businesses and that is amplified through our values - that support our core purpose and drive change and the business going forward.



**REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES (continued)

We reviewed and updated our values in 2022, reflecting the experiences of the business, the challenges ahead and the changing environment in which we operate. This has led to the inclusion of values statements related to Health and the Planet, which we believe are fundamental to a business such as ours in moving forward. More details on our values follow:



Partner of Choice

We want our Partners to understand our values, difference and impact, and want to work with us. We recognise that great performance must be a 'given' in all our partnerships, but it is the quality of our relationships where our difference really comes through, and our capability and willingness to support Partners' broader agendas.

Customers & Communities at Our Heart

We are a strong business because we listen and act on customer feedback, and use insight and foresight to improve all we do. Our technology, products and people not only enhance the customer journey and experience; they also recognise our children's centres, leisure centres and libraries are at the heart of communities - they help bring people together and are a focal point for wider social engagement and interaction to support community initiatives and wellbeing.

Tackling Health Inequalities

We play a key role in improving the health outcomes of all in our communities, including those facing economic, health and social inequality. With our extensive and varied services and products, we are committed to working with the NHS and other bodies on prevention, and promoting healthy lifestyles and behaviours.

Respecting the Planet

We are committed to become Carbon Net-Zero by 2050, with an ambition to hit this target sooner. We are responding to what matters to our Customers, by reducing reliance on fossil fuels, minimising waste, and reducing our impact on the environment; whilst working closely with local authority Partners to achieve joint climate goals.

More Than a Job

We want to be the best staff owned business in the UK. As a values driven organisation, with ambitious plans, we know that we must create a culture that gets maximum value out of all our people by helping them realise their potential, feel valued, and wanting to be part of a learning organisation that is different.

The Better Way of Doing Business

We are a business for good and embrace the notion that we are a catalyst for change, and for improving the lives and opportunities for people in our communities. Creativity and innovation are changing the way we do this, and how we do business and operate, and impacts on all our change agendas. But one thing will always be constant - at our core is the principle of democratic ownership - and the people who make us a BETTER business.

The recent experiences of the pandemic; and the subsequent associated economic uncertainty and spiralling energy costs, reinforces the need to maintain a strong focus on our values as we commence 2023 and the start of our new five year corporate plan.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES (continued)

Wider Partnerships

GLL works closely with or seeks to have a relationship with many other partners in addition to our local authority partners, these include:

- The London Mayors office, Greater London Assembly and the London Legacy Development Corporation (LLDC)
- Community Leisure UK (Formerly Sports and Recreation Trusts Association / Sporta)
- The Sector Skills Council, SkillsActive and the National Skills Academy
- Sport England (SE)
- Greenwich, Newham and Hackney Community Colleges
- Social Enterprise Coalition (SE UK)
- UK Active (UKA)
- CIMPSA
- British Swimming / Swim England, Lawn Tennis Association (LTA), British Gymnastics, GB Basketball, British Basketball League, England Basketball, GB Handball, England Netball, Badminton England, Volleyball England, British Fencing, Squash England and other UK Sports Governing Bodies
- Middlesex University and the London Sport Institute (GLL Sport Foundation)
- Cooperatives UK
- Ministry of Housing, Communities and Local Government (MCHLG)
- Department for Digital, Culture, Media & Sport (DCMS)

We aim to support local and central government initiatives that promote the development of services for the benefit of the wider community particularly in the areas of sport, health, culture and physical activity.

These aims and objectives are delivered through a range of strategies that are listed in GLL's annual and 5 year Corporate Plans. These plans are managed by the Chief Officer Group and reviewed by the Board.

ACHIEVEMENTS & PERFORMANCE

2022 saw the organisation continue to re-build from the Covid pandemic but we also had the added challenge of the national energy crisis, which had a profound impact on the business. Despite these challenges, 2022 saw some excellent achievements & performance, including:

2022 Awards

- Hackney Healthier Together Team - Winners at the RSPH Health and Wellbeing Awards
- Manchester Aquatic Centre awarded the 2023 Para Swimming World Championships
- Britannia Leisure Centre – New London Awards overall winner (Culture)
- Social Enterprise Awards Northern Ireland – Highly Commended Health & Wellbeing
- UKActive Award Winner –New Concept Design & Build (Britannia Leisure Centre)

New Partnerships

- 10 year partnership commenced with Lee Valley Regional Park Authority to operate 6 major venues
- New partnership with Basingstoke Sports Centre (2022-2121) and Newbury Better Health & Fitness Centre 2022-2035
- London Borough of Lewisham 3.5 year contract extension 2022-2026
- South Bucks District Council (Buckinghamshire County Council) 1 year contract extension 2023-2024
- Eden District Council 5 year contract extension 2022-2027
- Sugden Sports Centre 2 year contract extension from 2023-2025
- Rugby Borough Council 8 year contract extension 2023-2031

New Centres Opened

- Palmer Park Leisure Centre in Reading
- The Sands Centre in Carlisle

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL REVIEW

The results for the year 2022 (January 1st - December 31st) are set out within these consolidated financial statements.

Despite still recovering from the pandemic and the global energy crises that saw gas and electricity cost more than double, GLL is pleased to be declaring a small surplus of circa £1m and before accounting for depreciation a surplus of £8m.

In the year, GLL faced additional unbudgeted gas and electricity costs of circa £15m (in addition to the significant increase already factored into the budgets). Through focussed actions and determination, we were able to largely offset these costs with the help of our partners and through a range of strategies to reduce consumption. Again, GLL showed its resilience and resourcefulness in the face of adversity.

The total income turnover declared for the year is £311m which is in line with expectations.

Cash flow

GLL's cash flow remains strong.

In 2020, we renewed the £9.75m revolving credit facility as well as set up a loan of £10m under the Coronavirus Large Business Interruption Loan Scheme (CLBILS). These credit facilities were reduced at the year end to £7.25m and £7.5m respectively and GLL had £10m drawn down against these.

Both facilities will expire at the end of 2023. Discussions are under way to once again renew the revolving credit facility with our bankers to maintain this safety net.

The cash at bank stood at £26m.

Long term creditors remained at around £12.7m.

Risk Management

The Trustees recognise risk management as one of their key responsibilities. The Trustees have adopted a risk management policy from which they have identified potential risks, the likelihood of their occurrence and the potential costs involved. In addition they have identified current practices in place to mitigate the risk and further action that might be necessary to limit that risk. The Board receive quarterly financial information and sufficient commitments are made to cover known liabilities.

However, even with such a policy in place and as reported in 2020, the impact of the Covid 19 pandemic could not be planned for. Although such an event was not initially named on our risk register, extraordinary events were. Our reserves policy ensured our cash position remains at sufficient levels to sustain liquidity in the short term. This has been demonstrated well over the past year. We are now rebuilding the cash reserve to mitigate new future risks.

Reserves Policy and Social funds:

The Board has considered the risks and opportunities and reviewed the level of cash reserves which it deems prudent to maintain. The funds held were considered adequate for the coming year.

Even though GLL has been hit hard by the pandemic, these funds have proved to be sufficient to maintain adequate liquidity and GLL has been able to secure additional funding as necessary.

A strategy, adopted by the Board, had existed to increase the Company's cash reserves and asset portfolio over the coming years to support investment plans and protect the organisation against future risks. GLL will continue to evaluate all opportunities as they arise with an aim to build our asset portfolio over time. Needless to say that the circumstances experienced through 2020 dented GLL's cash reserves significantly. External finance was raised to maintain liquidity and resilience in the short term. Longer term plans include the need to "rebuild" GLL's working capital for the future. Good progress was made in 2021 and 2022 with significant loan repayments made whilst still increasing the accumulated cash balance.

At 31 December 2022, the group had accumulated cash balance of £26m.

In normal circumstances, the Society is in a relatively favourable cash flow position because we receive some of our income in advance of expenditure.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW (continued)

Reserves Policy and Social funds (continued)

The Committee of Management 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 Society has an obligation to incur under various property leases; and
3. Shield the Society from the possibility of adverse unforeseen circumstances.

These unforeseen circumstances include a number of specific events that have been identified in the Society's Risk Register but as mentioned previously, were not specific to the impact of a pandemic.

The Board considered the level of reserves to be appropriate for the Society to be able to deliver services to its beneficiaries. This has been demonstrated of late.

The reserves of the Group and the Society at the period end were as follows:

The Group held fund balances at 31 December 2022 of £40,455,679 (2021: £(32,644,520)) comprising £13,096 (2021: £72,630) of restricted funds and £23,754,583 (2021: £22,747,850) of unrestricted general funds, which are the Society's free reserves, and a pension reserve Surplus of £16,688,000 (2021: Deficit £55,465,000).

SOCIAL IMPACT & PUBLIC BENEFIT

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

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

GLL remains the UK's largest leisure and cultural genuine charitable social enterprise. We operate over 400 facilities with a diverse workforce of 10,000+. Our inherent social ethos, linked to our charitable objectives, ensures that accessibility, affordability and equality are at the heart of our community provision.

Our values, linked to our charitable objectives, ensure that our customers and communities are at the heart of everything we do. GLL reinvests its surpluses to improve the customers and communities we serve, the lives of the people we employ and the facilities we operate.

As the UK's largest leisure and cultural charitable social enterprise GLL has been striving to build stronger and healthier communities since 1993 by increasing participation, tackling health inequality, reinvesting back into our communities and increasing social value

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INCREASING PARTICIPATION

We believe that cultural and leisure activities play a crucial role in improving the physical, mental and social wellbeing of our communities. That is why we are committed to getting more people, more active, more often.

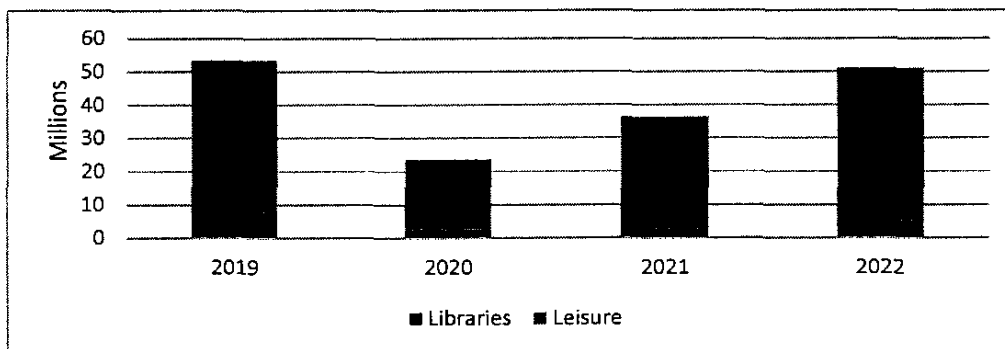
The Covid-19 pandemic represented the challenge of a generation. It had a hugely detrimental impact on the physical and mental health of the UK's population and participation levels fell across all the activities and services delivered by GLL.

Re-establishing our participation and visitor numbers following the pandemic was a key target for 2022. The pandemic caused two years of business interruption in 2020 and 2021 with multiple closures and restrictions being placed on the services. At the start of 2022 some of these restrictions still existed, but despite this, GLL was able to fully recover leisure centre participation and exceed pre Covid-19 levels from 2019.

There were over 51 million total visits to GLL facilities in 2022

The below graph of overall usage in leisure centres and libraries shows the impact of the Covid-19 pandemic and recovery of participation and visitor levels.

GLL Total Visits 2019 to 2022



Swimming pools and our aquatics programme are at the core of what GLL does. We operate over 150 swimming pools ranging from the prestigious London Aquatics Centre to local pools that are such an essential part of local communities. We are proud to have built the UK's largest swimming lesson programme and syllabus, which focuses on water confidence, safety and progression.

As the largest provider of swimming lessons in the UK, we help over 200,000 people a week learn to love the water

Libraries are important to local communities. Many people love to read: in our recent user survey, 83% of respondents said that access to books was the best thing about their visit to the library. And libraries do lots more: offer free access to PCs, and to broadband and Wi-Fi, provide activities for children and for older people – and offer space for study, space for people to stay warm in winter, and cool in the heat of summer.

During 2022, GLL library visitor numbers achieved 66% of pre Covid-19 pandemic performance. This is above average for library services across the country, and rose month on month throughout the year. Greenwich Libraries received more visits than any other library service in the country (CIPFA Library Statistics 2021/2).

By the end of 2022, Bromley and Greenwich Libraries were lending more books from libraries than they were before the Pandemic. The CIPFA Statistics for Libraries show that GLL Libraries issue significant numbers of books, with Bromley issuing more than any other London authority, Wandsworth, 2nd in London (by only 13 books) and Greenwich, 4th.

The recent Annual User Survey revealed a Net promoter Score (NPS) of 86% for library services operated by GLL, and overall customer experience was rated as excellent.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2022**

TACKLING HEALTH INEQUALITY

We know that not everyone has the same access to our facilities, products and services. We are trying to tackle health inequality by making sure we improve access, support diversity, remove barriers to participation, and provide choices for disadvantaged groups.

GLL's innovative membership framework ensures that the people who need the most support get it. Through subsidised membership schemes such as concessionary, inclusive (disability), seniors and NHS over 45% of all our members receive a subsidised membership price

In 2022 on the back of the Ukraine War and the refugee crisis GLL introduced a free to access refugee membership scheme. Supported by the Refugee Council and Red Cross the scheme has supported over 9,000 refugees integrate better into local communities

We believe our facilities and activities should be available to all, but we also know that sometimes targeted initiatives are also required to help people with additional needs. We run a comprehensive range of programmes all designed to improve the health of our local communities. Here are examples:

- Concessionary memberships
- Inclusive UK-wide membership for people with disabilities
- NHS and emergency services membership
- Healthwise membership
- Junior and senior membership
- Refugee membership
- Concessionary activity pricing
- Children under 3yrs swim for free with an adult
- Kids Swim for a £1
- Community programmes
- Dedicated family activities and programmes
- Schools offer
- Vulnerable children and carers support
- Healthwise health referral schemes
- Child obesity referral schemes
- 'Looked After' children schemes
- Weight management programmes and support
- Social prescription UK pilot
- Prince's Trust employment pilot
- 'Change Please' social enterprise partnership and employment initiative
- 'Give It a Go' six-week supported health memberships
- 60yrs+ Club Games
- Women only programming and dedicated facilities
- 'This Girl Can' programmes
- Regular literacy and national reading events within our libraries
- 'Read and Feed' libraries literacy and meals scheme
- Free SIM card libraries initiative
- Warm spaces across our leisure centres and libraries
- Diversity Equality and Inclusion (DEI) statement and commitments

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

REINVESTING BACK INTO OUR COMMUNITIES

At the core of GLL is the principle that as a Charitable Social Enterprise we reinvest all surplus back into our products, services and communities.

Since 1993 GLL has reinvested over £100m back into its products, services and communities

There are many ways in which GLL tangibly reinvests back:

- Facility improvements and investments
- Concessionary membership pricing
- Inclusive (disability) memberships pricing
- Concessionary activity pricing
- Off peak discounted pricing
- Volunteering programmes
- In kind support to individual, clubs and local community groups
- Club development
- GLL Sport Foundation
- Workforce development
- Satellite community delivery programmes

In 2022 over 1,500 talented athletes secured funding from the GLL Sport Foundation. The Foundation supports young people to achieve their sporting potential across 115 different sports providing £1m of financial support across 67 partnerships in England, Northern Ireland and Wales.

Since it was created in 2007 the GLL Sport Foundation has been the largest independent athlete support programme in the UK, supporting over 10,000 athletes and providing over £14m of support.

Overall 87% of supported athletes receive no other centralised or independent assistance, highlighting the huge practical challenges many face when aspiring to compete at top level.

146 GLL Sports Foundation supported athletes competed at the 2022 Commonwealth Games held in Birmingham winning 59 medals.

IMPROVING SOCIAL VALUE

GLL continues to strive to be the best at delivering social impact across all our partnerships. By focusing on increasing participation, tackling health inequality and reinvesting back into our services we're trying to deliver meaningful change for our customers and communities that really makes a difference. Measuring and learning is key for us and our clients so that's why in 2017 GLL supported the pioneering development of a Social Value Calculator.

In 2022 GLL delivered £390m of social value impact

The Social Value Calculator helps GLL to evaluate participation, identify specific opportunities and to target Health inequalities such as CHD, Dementia, Diabetes and Obesity which can be measured quantitatively by activity/demography/geography. The evidence base informs and enables performance measurement against goals for targeted interventions ensuring value-for-money investment. Social Value impact is evidenced through 4 community measures:

- Social value for physical and mental health
- Subjective wellbeing
- Individual development
- Social and community development

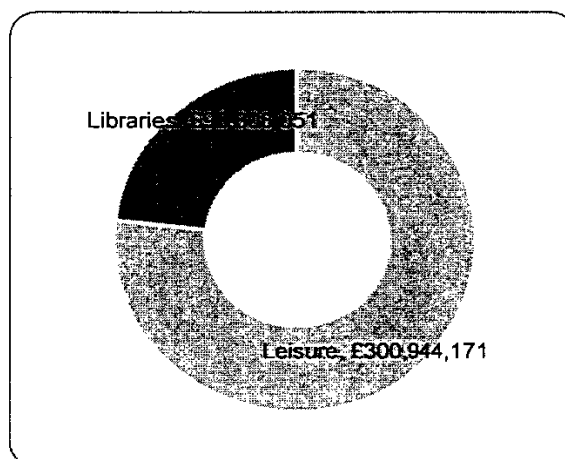
GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Every £1 spent by GLL returns around £2 of Social Value

As a charitable social enterprise, GLL's Social Value is just as important as its annual turnover and it underpins our ethos and values.

Total Social Impact value Jan-Dec 2022



EMPLOYMENT AND ENGAGEMENT

GLL provides employment for 10,800 people (4,235 permanent staff and 6,313 flexible workers). Numbers increased with the Lee Valley and Basingstoke partnerships joining the GLL fold in 2022. On a full time equivalent basis the workforce equates to 3,228 perm staff and 1,178 flexible staff with permanent staff completing on average 70% of the total working hours each month. Throughout the year, our people have continued to work hard to provide high standards of customer experience and to achieve the targets set out in our financial recovery plan for the year.

At the end of 2022, the People and Learning and Development Teams came together to form one connected People Team under the leadership of a new role, People Director.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

EMPLOYMENT AND ENGAGEMENT (continued)

Workforce Engagement

GLL works to ensure that our people understand our values, participate and contribute to the success of our organisation:

- On-boarding information about our values and objectives and welcome and induction process for new employees and workers continue to be developed into 2023.
- The intranet has been overhauled this year allowing for more information, updates and interaction with our people. On-going business updates, shared learning, people and team recognition stories and celebrated calendar events such as International Women's Day, Pride and Black History Month have added vibrancy and interest. Intranet active usage has increased this year to 32%, with a monthly average of 2,800 unique visits per month.
- As a worker owned organisation (also referred to as the Society), employees and workers have the opportunity to acquire a society membership and with this participate in the running of GLL. The scheme has been extended to include all staff through the introduction of the associate society membership scheme for flexible colleagues.
- Regional society meetings (virtual and in person) and society events, were organised by the employee trustees on the Board throughout the year as a means to increase engagement and development of our people.
- In person partnership based communications days were held for all permanent staff and core flexible workers at the end of the year. These days provided an opportunity to reflect back on 2022 achievements, set the strategic ambitions for call to action for 2023 and recognise our people's contribution through numerous awards.

More choice for people in how they wish to engage with us was introduced in terms of permanent and / or flexible worker engagement to better suit each person's individual and unique circumstance. Subject to vacancies, most people working in GLL (and for most roles) can choose to take out a permanent contract or engage with us as a flexible worker

Workforce Engagement (continued)

- We have reviewed our employee assistance programme as a result of feedback and our insurance partner Zurich are now providing an increased service for our people.
- We continue to subscribe to health Assured to provide an occupational health referral scheme.
- GLL recognises the cost of living crisis and ensured that people were remunerated well and appropriately in accordance with their job role. GLL achieved Real Living Wage accreditation in 2022 and is an employer that pays at the upper quartile level of sector pay.
- *As a charitable social enterprise and worker-owned organisation, the Living Wage Foundation accreditation is an important voluntary commitment to ensure that we pay higher than the Government's compulsory National Living Wage. The Real Living Wage rate is set every year by the Foundation and in our accreditation we join 9,000 other employers (out of about 2 million organisations) that have signed up to this standard in the UK.*
- GLL produces monthly people key performance indicators, which are monitored by the Chief Officer Group, senior leadership Team and Board. These are then shared with managers and people business partners who take appropriate actions to change or improve against target.

Location

We aim to place employees in facilities near to where they live and to have local workforces that represent and are appreciative of the diverse communities they serve. Many of our facilities are in some of the most deprived areas in the UK. We believe that giving employment to those who live locally brings greater wealth and social cohesion to those locations. Our local community sport and people teams have built relationships with many schools and colleges throughout the country, making them aware of the career and training opportunities available at GLL and providing routes to work and work placements

In 2022, work commenced on partnership based reports that compare the active working populations and GLL workforces in each partnership which are a useful way of widening recruitment pools, providing community opportunities and improving any under representation in workforce make up.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

EMPLOYMENT AND ENGAGEMENT (continued)

Routes to work

Resourcing continued to be a challenge throughout 2022 due to the impact of the labour market shortage and the effect of Brexit on our ability to attract and retain key frontline operational staff. Despite these challenges and following the introduction of diverse strategies, vacancy rates in 2022 reduced from 14% across the organisation in January to 4% in December.

The focus for 2023 continues to be on developing national and local talent strategies to ensure a pipeline of top quality employees that represent GLLs values and to ensure managers have the right resources they need to lead on their local recruitment strategies.

Training and funding for re-skilling and employment

Employment and learning opportunities represent a critical way to give back to local communities in alignment with GLL values. Learning & development is at the heart of 'more than a job' and GLL delivered the commitment to support all our people in their learning and career development.

GLL were able to tap into Industry funding (CIMSPA Retrain) to the value of £55k which funded STA and NPLQ courses, plus additional funding secured in Wales and Belfast. This supported the organisation in retraining, redeploying and multi-skilling the existing workforce and new recruits in essential qualifications such as National Pool Lifeguard, Swimming Teacher Awards and Fitness Instructor qualifications. These were particularly important qualifications needed to support the skills gaps being experienced and exacerbated by the labour market situation.

GLL staff completed 3,433 classroom courses and 8,973 e-learning courses during 2022.

A partnership with CILIP, the chartered body for libraries, delivered 10 GLL specific and specialist CPD training modules for library colleagues. Between March and December 2022, 105 library staff completed at least one module.

In addition to recruited apprentices, GLL started 32 existing employees on leisure Industry apprentices, levels 2-5 and other apprentices including marketing, IT and HR. Maximising the apprenticeship levy as a means to achieve development and professionalization of the workforce was and is, an important strategy in GLL.

A revised Trainee Manager scheme was delivered with 14 TMs recruited across the 3 hubs in Belfast, London and Manchester with another 20 being recruited in 2023.

Work continued on management development, with in house modules for managers being designed and a dedicated Management Development Manager being appointed as part of the new Leadership Team within the People function.

Equality, Diversity and Inclusion Policy and implementation plan consultation

Equality, Diversity and Inclusion is a fundamental part of the GLL ethos as a worker owned charitable social enterprise and is an integrated work stream. It is the golden thread that makes us a wiser, stronger and better organisation.

A revised EDI policy and implementation Plan was agreed by the senior team and Board in 2022. Ongoing monitoring and reporting on EDI data is produced, shared with managers and presented quarterly at Board level. The plan identifies a number of strategies to address underrepresented groups.

Women in GLL make up 56% of the total workforce and

- 40% of our management
- 38% of our Director Team
- 46% of our Board of Trustees

People of Black, Asian, Mixed, and Multiple Ethnic Heritage make up 17% of the total workforce and 10% in leadership roles and 29% of the Board of Trustees. Whilst improvement is required in leadership roles and GLL remains on a journey with this, the direction of travel is positive.

Quality Assurance

GLL holds a Silver status Investors in People Award. Following a successful review meeting, IIP extended this status until July 2023, to allow for business recovery. During 2022, successful external assessments were completed in relation to our delivery of RLSS and STA courses.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

GLL'S SUSTAINABILITY AGENDA – "RESPECTING THE PLANET"

GLL takes its responsibility with regards to Sustainability very seriously. To this aim, each year we strive to reduce energy consumption and our impact on the environment through investment into proven and new technologies and the adoption of best practices.

As a leading charitable social enterprise, GLL have an active role in the challenge against climate change and we know how important it is to work with our partners to manage our impact on the environment and support and engage with the move towards a Zero Carbon Future.

Energy and water are vital for the delivery of our services and represent a significant proportion of our operating costs. Climate change, potential water shortages and rapidly rising energy costs make it even more important for us to increase our sustainability through controlling resource consumption and reducing waste.

The global energy crisis that has been seen over the last 12 months has had a significant impact on GLL and its operational costs and has increased focus even more in the area of Sustainability, energy reduction and reducing our impact on the environment with a range of new measures being implemented.

In 2022, GLL continued our work on key environmental objectives through the delivery of our Strategic Action Plan as well as the corporate plan. The key principles of reducing carbon emissions and energy use remain core agenda items.

Actions completed in 2022 included:

- Successfully retained certification at 12 GLL premises over 3 partnerships to the updated Environmental Standard ISO14001:2015
- GLL now generates renewable energy from over 90 sources at our facilities:
 - 70+ Solar PV installations,
 - 7 Solar Thermal arrays,
 - 3 Biomass boilers and
 - 10+ facilities with Heat Pumps (Air, Ground & Water).
 -
- Renewable electricity generation from Solar PV in 2022 totalled 2.7m kWh (Up from 1.5m kWh in 2021), with over 2.4m kWh of renewable heat.
- 41 Combined Heat & Power units were active in 2022, using natural gas to generate low cost heat and electricity at GLL facilities whilst reducing our reliance on the grid. GLL units generated over 14.5m kWh up from 12.8m kWh in 2021) of electricity and nearly 25m kWh of heat locally for premises.
- Commenced final drafting of GLL's Sustainability strategy which will outline our targets and objectives for the coming years including net zero carbon targets, waste & recycling objectives, renewable energy strategy, biodiversity and wider goals to be published in 2023
- Further GLL funded renewable energy installations have been completed at Charlton Leisure and Lifestyle Centre, Gosling Sports Park and Sutton Sports Village to add a further 500,000kWh of zero carbon electricity.
- Worked with Partners to install large scale Solar Arrays and Air Source Heat Pumps in Newcastle, Cambridge and Manchester with more planned for 2023.
- Commenced investigations into direct purchase of zero carbon electricity from renewable sources through power purchasing agreements (PPA).
- Over £2m invested in energy saving technologies across the GLL estate to reduce energy consumption and improve efficiency.
-

Environmental Legislation Compliance in 2022

- GLL has completed its SECR (Stream Lined Energy and Carbon Reporting) Summary Report for 2022
- GLL completed applicable works on ensuring all relevant Solar PV installations and CHP's conform to the new "Loss of Mains" protection regulations required by the electricity Network operators for the September 2022 deadlines, with all applicable units being compliant.
- Display Energy Certificates have been produced and displayed at all applicable GLL premises.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2022**

GLL's "GREEN AGENDA" (continued)

WASTE AND RECYCLING

Minimising the use of natural resources and impact on the environment through waste generated at our premises is an ongoing priority for GLL. We continue to segregate waste streams at our premises, increase recycling rates and divert waste from landfill, whilst reducing overall waste tonnage.

Grundon Waste Services and their regional partners along with 1st Waste and Suez collected general waste and recycling from around 190 GLL Leisure Centres, Better Gyms and Libraries under centrally controlled contracts. The key objectives and achievements under the GLL Waste and Recycling Policy in 2022 are shown below:

- Achieved zero waste to landfill by the end of 2022 (within Grundon Contract)
- Only 2% of residual waste going to landfill under our 1st Waste contract with 98% of waste being recycled or used to generate heat & electricity.
- Over 1,594 tonnes of waste collected through centrally managed contracts
- 573 tonnes of waste was recycled.
- Food waste collections introduced at all premises with kitchen operations and café's
- Annual recycling rate of 36% (for centrally administered partnerships)

In 2022 GLL continued work on the delivery of its Waste and Recycling Strategy covering key objectives and targets for the future, it remains a key work stream and a core part of GLL's future Sustainability Strategy to be launched in 2023 to highlight our objectives for the next 5 years and will include:

- Strategy for the removal of single use plastics from GLL premises
- 50% Target for recycled waste by 2027.
- Increased separation of food waste and use of compostable catering supplies
- 65% Recycling target by 2035 in line with Government objectives.
- A commitment to "Zero Waste to Landfill" across all GLL premises.
- GLL wide review of waste provisions and tender process to select long term partners to support GLL's objectives

RESPECTING THE PLANET- CONTINUOUS INVESTMENT.

GLL continues to work with Partners and invest directly in Carbon saving technologies. The programme was increased in 2022 in response to the energy crisis; with numerous projects being completed. For example:

- Further roll out Variable Speed Drives across the Southern Region following on from previous investment in the North.
- Around 20 new Pool covers being installed or awaiting installation to increase the amount of pools with covers to over 90%.
- A roll out of LED lighting technology has commenced across the GLL estate including 16 centres that have had full LED lighting installations in main activity areas in the Southern Region with anticipated savings of nearly £200,000 per annum.
- 6 new Public Sector Decarbonisation Schemes have been completed in Newcastle and Cambridge to reduce Energy costs and Carbon emissions associated with GLL's operations. These schemes all included large solar arrays being installed alongside Air Source Heat Pumps as well as plant upgrades and improvements in building management systems.
- GLL has worked closely with Partners to deliver these schemes with more anticipated in 2023
- Installation of a first Water Source Heat Pump at West Reservoir in Hackney

Other investments and projects highlighted for 2023 include:

- GLL to invest a further £230,000 on 4 new Solar PV arrays across GLL owned and leased premises in order to reduce electricity consumption by 200,000 kWh per annum and 38 tonnes of CO₂.
- Further investments will include replacement of older gas boilers, further LED lighting roll out and Variable Speed Drive as part of phase 3 of GLL's spend to save programme.
- GLL will work with a number of partners across the country to decarbonise its heating supply through the installation of Air Source Heat Pumps (ASHP) funded through the Public Sector Decarbonisation Scheme.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

GLL's "GREEN AGENDA" (continued)

Streamlined Energy & Carbon Reporting (SECR) Regulations

Legislation to replace the CRC scheme has been put in place under the Companies (Directors Report) and Limited Liability Partnerships (Energy & Carbon Reporting) Regulations 2018.

The regulations require large businesses to measure and report on its total Carbon Footprint covering emissions from direct gas and fossil fuel combustion (Scope 1), electricity and delivered heat (Scope 2) as well as business and staff travel (Scope 3).

In 2022 GLL's Total measured footprint was 65,383 t/CO₂e (2021 = 59,724 t/CO₂e) below is a summary of GLL's total 2022 Carbon Emission by scope. As can be seen from the breakdown, 64% (2021 – 67%) of GLL's emissions are generated from its gas and fossil fuels use and less than 36% from electricity consumption, whereas travel currently accounts for only 0.17%.

GLL 2022 Carbon Emissions by Scope:

- Scope 1 = 42,062 t/CO₂e
- Scope 2 = 23,208 t/CO₂e
- Scope 3 = 113 t/CO₂e

As part of the regulations GLL is required to monitor and report emissions against an appropriate metric, the table below shows GLL's 2022 emissions as a ratio against its total operational floor area, turnover and customer visits.

GLL Carbon Intensity 2022

- Turnover = 216 t/CO₂/£m
- Gross Internal Area = 0.06 t/CO₂/m²
- Customer Visits = 1421 t/CO₂/ million visits

Awards and Recognition

GLL continues to hold ISO14001:2015 with external audits and certification completed in June 2022. These were completed in person over a number of days by the auditor with building tours and interviews happening at several of GLL's premises as well as our head office which is also certified.



GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

LOOKING TO THE FUTURE and DELIVERING OUR AMBITION

As we emerged from the pandemic in late 2021, and approached the final year of the then current corporate planning cycle, it was a timely opportunity to reconsider our ambitions, and a transitional plan was put in place for 2022, as part of the journey towards the next five year planning cycle for 2023 – 2027.

In late 2022, work started on creating the new five year plan. Although the pandemic and the global energy crisis underlined the need for businesses to be flexible and adaptable, they also reinforced the importance of having ambitions and a plan - to provide the direction and focus to help steer through the inevitable business challenges that come along and give everyone a sense of direction.

As part of the review it was agreed that our Purpose and Mission remain appropriate, but that we should take the opportunity to use our values (as set out earlier on in this report) to frame our ambitions and drive change, and give real meaning to being a 'values driven' organisation. The result is our new five year plan - '*GLL2027: Creating Our Future*'. The plan sets out long-term ambitions against each of our values; details the strategic actions needed to deliver them, and also sets out the key measures we intend to improve / and targets to be achieved. We regard this as a landmark business and social action programme for GLL, as it ties in with the 30th 'birthday' of GLL as an organisation, and the 15th of our Sports Foundation. As part of the Plan we have described what we aim for GLL to be like as a business and organisation by 2027 and have emphasised what makes GLL different from other operators; as we see this as increasingly important to partners and customers, as well as being a factor that distinguishes us in the employment market. We believe that delivering this plan will position GLL as the most successful and influential charitable social enterprise in the UK.

We reviewed and updated our corporate management and reporting framework in 2022, in order to provide specific focus to all areas of business performance, and this will include monitoring progress and delivery of the corporate plan

FUNDRAISING

GLL do not use professional fundraisers in order to raise funds and do not do fundraising activities to further our objectives. All of our income is derived from main sources being sales for use of facilities and management fees. We do get some grants however this is not fundraising. GLL also receive sponsorship from corporate suppliers to support GLL foundations but again this is not deemed to be fundraising.

GREENWICH LEISURE LIMITED

**REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF COMMITTEE OF MANAGEMENT'S RESPONSIBILITIES

The Committee of Management are responsible for preparing the Report of the Committee of Management (incorporating a Strategic Report) and 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.).

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and the principles in the Charities SORP 2019 (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 Group and Society will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Committee of Management are aware at the time of approving the Report of the Committee of Management, there is no relevant information (as defined by the Co-operative and Community Benefit Societies Act 2014) of which the Group's and Society's auditors are unaware, and each committee member has taken all the steps that he or she ought to have taken as a Committee Member in order to make himself or herself aware of any audit information and to establish that the Group's and Society's auditors are aware of that information.

Committee of Management report, incorporating a strategic report, approved by order of the committee members, on 8th June 2023 and signed on the Committee of Management's behalf by:



P Bunday – Committee Member



G Kirk – Committee Member

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GREENWICH LEISURE LIMITED**

Opinion

We have audited the Group and the Society financial statements of Greenwich Leisure Limited for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Society Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, 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's and Society'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; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the committee of managements 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GREENWICH LEISURE LIMITED**

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Group and Society and its environment obtained in the course of our audit, we have not identified material misstatements in the Strategic Report and the Committee of Management Report.

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

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

Responsibilities of the committee of management

As explained more fully in the committee of management's responsibilities statement set out on page 21, the committee of management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee of management is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and Society, including, but not limited to, the Co-operative and Community Benefit Societies Act 2014, UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's and Society's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GREENWICH LEISURE LIMITED**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:


- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Committee of Management and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



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

Date: 8th June 2023

GREENWICH LEISURE LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Notes	31.12.22 Unrestricted Funds £	31.12.22 Restricted Funds £	31.12.22 FRS 102 s.28 Adjustment Unrestricted £	31.12.22 Total Funds £	31.12.21 Unrestricted Funds £	31.12.21 Restricted Funds £	31.12.21 FRS 102 s.28 Adjustment Unrestricted £	31.12.21 Total Funds £
INCOME								
Donations	-	2,901,081	-	2,901,081	350,911	38,106,105	-	38,457,016
Income from charitable activities								
Operation of leisure, recreation sites and health activities	303,062,419	1,853,486	-	304,915,905	197,180,252	18,802	-	197,199,054
Income from other trading activities								
Commercial trading operations	2,954,742	-	-	2,954,742	1,854,913	443,469	-	2,298,382
Investment income	221,204	-	-	221,204	55,653	-	-	55,653
Other income	(219,736)	-	-	(219,736)	(2,033,395)	-	-	(2,033,395)
Total income	306,018,629	4,754,567	-	310,773,196	197,408,334	38,568,376	-	235,976,710
EXPENDITURE ON								
Costs of raising funds								
Investment management costs	60,261	-	-	60,261	49,180	-	-	49,180
Commercial trading operations	2,675,496	-	-	2,675,496	1,633,554	443,469	-	2,077,023
Charitable activities								
Operation of leisure, recreation sites and health activities	302,250,765	4,802,060	4,185,000	311,237,825	193,339,290	38,235,889	3,903,000	235,478,179
Other expenditure	-	-	-	-	103,441	-	-	103,441
Total expenditure	304,986,522	4,802,060	4,185,000	313,973,582	195,125,465	38,679,358	3,903,000	237,707,823
Net income/(expenditure) for the year before other recognised gains and losses	1,032,107	(47,493)	(4,185,000)	(3,200,386)	2,282,869	(110,982)	(3,903,000)	(1,731,113)

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 DECEMBER 2022

Notes	31.12.22 Unrestricted Funds £	31.12.22 Restricted Funds £	31.12.22 FRS 102 s.28 Adjustment Unrestricted £	31.12.22 Total Funds £	31.12.21 Unrestricted Funds £	31.12.21 Restricted Funds £	31.12.21 FRS 102 s.28 Adjustment Unrestricted £	31.12.21 Total Funds £
Net income/(expenditure) for the year before other recognised gains and losses	1,032,107	(47,493)	(4,185,000)	(3,200,386)	2,282,869	(110,982)	(3,903,000)	(1,731,113)
Transfers between funds	31	12,041	(12,041)	-	-	-	-	-
Remeasurement gains/(losses) on defined benefit schemes	28	-	-	76,338,000	-	-	22,900,000	22,900,000
Net liabilities acquired on schemes	28	-	-	-	-	-	(3,738,000)	(3,738,000)
Net movement in funds								
	1,044,148	(59,534)	72,153,000	73,137,614	2,282,869	(110,982)	15,259,000	17,430,887
Shares issued	30	8,460	-	8,460	5,225	-	-	5,225
Shares cancelled	30	(625)	-	(625)	(7,625)	-	-	(7,625)
RECONCILIATION OF FUNDS								
Total funds brought forward								
	22,747,850	72,630	(55,465,000)	(32,644,520)	20,467,381	183,612	(70,724,000)	(50,073,007)
TOTAL FUNDS CARRIED FORWARD								
	23,799,833	13,096	16,888,000	40,500,929	22,747,850	72,630	(55,465,000)	(32,644,520)

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

GREENWICH LEISURE LIMITED

**CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2022**

		31.12.22 Total Funds £	31.12.22 Total Funds £	31.12.21 Total Funds £	31.12.21 Total Funds £
	Notes				
FIXED ASSETS					
Intangible assets	17		10,505		29,138
Tangible assets	18		41,133,183		44,831,329
Investments	19		286,808		286,808
Investment property	20		<u>1,236,530</u>		<u>1,192,024</u>
			42,668,126		46,139,300
CURRENT ASSETS					
Stocks	21	778,933		599,892	
Debtors: amounts falling due within one year	22	45,408,464		25,895,042	
Debtors: amounts falling after more than one year	22	3,316,066		5,560,420	
Cash at bank and in hand		<u>25,921,060</u>		<u>33,423,166</u>	
		75,424,513		65,578,519	
CREDITORS					
Amounts falling due within one year	23	<u>(81,556,481)</u>		<u>(67,536,565)</u>	
NET CURRENT ASSETS			<u>(6,131,968)</u>		<u>(1,958,046)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			36,534,158		44,181,254
CREDITORS					
Amounts falling due after more than one year	24		<u>(12,721,229)</u>		<u>(21,360,774)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>23,812,929</u>		<u>22,820,480</u>
PENSION ASSET/(LIABILITY)	28		16,688,000		(55,465,800)
FUNDS					
Unrestricted funds		39,970,880		(33,271,111)	
Designated funds		<u>468,318</u>		<u>513,181</u>	
Total unrestricted funds			40,439,198		(32,757,930)
Restricted funds			13,096		72,630
Share capital	30		<u>48,635</u>		<u>40,800</u>
TOTAL FUNDS	31		<u>40,500,929</u>		<u>(32,644,520)</u>
TOTAL FUNDS EXCLUDING PENSION ASSET/(LIABILITY)			<u>23,812,929</u>		<u>22,820,480</u>

The financial statements were approved by the Committee of Management on 8th June 2023 and were signed on its behalf by:

P Buntley - Committee Member

G Kirk - Committee Member

P Donnan - Secretary

Society Registered Number: IP27793R

The notes form part of these financial statements

GREENWICH LEISURE LIMITED

SOCIETY BALANCE SHEET
AT 31 DECEMBER 2022

		31.12.22 Total Funds £	31.12.22 Total Funds £	31.12.21 Total Funds £	31.12.21 Total Funds £
	Notes				
FIXED ASSETS					
Intangible assets	17		10,606		29,139
Tangible assets	18		41,133,193		44,831,329
Investments	19		286,808		286,808
Investment property	20		1,235,530		1,192,024
			42,665,126		46,139,300
CURRENT ASSETS					
Stocks	21	778,933		599,892	
Debtors: amounts falling due within one year	22	45,408,464		28,135,491	
Debtors: amounts falling due after more than one year	22	3,316,086		5,560,420	
Cash at bank and in hand		25,921,050		33,423,080	
		75,424,513		65,718,883	
CREDITORS					
Amounts falling due within one year	23	(81,556,481)		(57,535,480)	
NET CURRENT ASSETS			(6,131,968)		(1,817,597)
TOTAL ASSETS LESS CURRENT LIABILITIES			38,534,158		44,321,703
CREDITORS					
Amounts falling due after more than one year	24		(12,721,229)		(21,360,774)
NET ASSETS EXCLUDING PENSION LIABILITY			23,812,929		22,960,929
PENSION ASSET/(LIABILITY)	28		16,688,000		(55,485,000)
FUNDS					
Unrestricted funds		39,970,880		(33,130,662)	
Designated funds		468,318		513,161	
Total unrestricted funds			40,439,198		(32,617,501)
Restricted funds			13,096		72,630
Share capital	30		48,535		48,800
TOTAL FUNDS	31		40,500,929		(32,504,071)
TOTAL FUNDS EXCLUDING PENSION ASSET/(LIABILITY)			23,812,929		22,960,929

The financial statements were approved by the Committee of Management on 8th June 2023 and were signed on its behalf by:


P Bunday – Committee Member
Society Registered Number:

IP27793R


G Kirk – Committee Member


P Donnay – Secretary

The notes form part of these financial statements

GREENWICH LEISURE LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities	1	<u>(2,961,251)</u>	<u>12,482,398</u>
Cash flows from investing activities			
Interest		(774,949)	(860,171)
Rent		160,943	6,473
Sale of fixed assets		1,301,736	-
Purchase of investment property		(43,898)	-
Purchase of tangible fixed assets		(4,587,480)	(2,548,116)
Sale of investment property		392	-
Cash used on investing activities		<u>(3,943,256)</u>	<u>(3,401,814)</u>
Cash flows from financing activities			
Repayment of borrowing		(605,443)	(11,688,026)
New loans issued		-	5,009,919
Share issue		8,460	5,225
Shares cancelled		(625)	(7,625)
Cash from/(used) in financing activities		<u>(597,608)</u>	<u>(6,680,507)</u>
Increase in cash and cash equivalents in the year		<u>(7,502,115)</u>	<u>2,400,077</u>
Cash and cash equivalents at the beginning of the year		33,423,165	31,023,088
Total cash and cash equivalents at the end of the year		<u>25,921,050</u>	<u>33,423,165</u>

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	31.12.22	31.12.21
	£	£
Net outgoing resources before other recognised gains and losses	(3,200,386)	(1,731,113)
Amortisation of goodwill	18,534	18,534
Depreciation charges	7,324,229	8,222,357
(Surplus)/Deficit on disposal of fixed assets	(540,339)	460,993
Interest received	-	-
Interest paid	774,949	860,171
Rents received	(221,204)	(55,653)
Rental expenses paid	60,261	49,180
Increase in stocks	(179,041)	69,575
Increase in debtors	(17,169,068)	4,728,198
Increase in creditors	5,985,814	(4,042,844)
Interest cost on defined benefit pension scheme	1,011,000	945,000
Administrative expenses	126,000	69,000
Difference between pension charge and cash contributions	3,048,000	2,889,000
Net cash inflow from operating activities	<u>(2,961,251)</u>	<u>12,482,398</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	31.12.22	31.12.21
	£	£
Cash in hand	24,311,909	31,819,271
Notice deposits (less than 3 months)	<u>1,609,141</u>	<u>1,603,894</u>
Total cash and cash equivalents	<u>25,921,050</u>	<u>33,423,165</u>

The notice deposits are sums held on interest bearing deposit with Lloyds Bank. The funds are held on a 32-day notice account and are therefore classified as cash and cash equivalents.

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>33,423,165</u>	<u>(7,502,115)</u>	<u>25,921,050</u>
	<u>33,423,165</u>	<u>(7,502,115)</u>	<u>25,921,050</u>
Debt			
Debts falling due within 1 year	(5,247,530)	(8,034,102)	(13,281,632)
Debts falling due after 1 year	<u>(21,360,774)</u>	<u>8,639,545</u>	<u>(12,721,229)</u>
	<u>(26,608,304)</u>	<u>605,443</u>	<u>(26,002,861)</u>
Total	<u>6,814,861</u>	<u>(6,896,672)</u>	<u>(81,811)</u>

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

Society status

GLL is a registered Society limited by shares under the Co-operative and Community Benefit Societies Act 2014 and is incorporated in the United Kingdom. The address of the registered office is given in the society information on page 1 of these financial statements.

The presentation currency of the financial statements is the Pound Sterling (£).

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 September 2019) and the Co-operative and Community Benefit Societies Act 2014.

Greenwich Leisure Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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 currency of the society.

Going concern

The Group meets its day to day working capital requirements through income generated. The Group has adequate financial resources together with customers and strategic parties to continue trading at current levels. As a consequence, the Committee of Management believe that the Group is well placed to manage its business risks successfully. During the pandemic, the society secured £10m credit through the Coronavirus Large Business Interruption loan Scheme (CLBILS). This facility expires in December 2024. It was not needed in the end during the period but provided a safety net none the less. In addition to the CLBILS, the committee of management has maintained an ongoing revolving credit facility (RCF) of £10m to provide an ongoing cash resource should we need it. It is the committee of managements intention to renew the RCF in December 2024 and the committee see no circumstances in which this renewal will be unsuccessful. As such, the committee of management has no concerns about liquidity. The volatility and high cost of gas and electricity has been recognised as a potential risk. The committee of management is satisfied that this risk is being managed well so not to affect our going concern position. The committee of management do not consider there to be any material uncertainties to note at this time.

The Committee of Management are satisfied that the Group will be able to meet all its obligations as and when they fall due. The Committee of Management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they consider it appropriate to continue to prepare the financial statements on a going concern basis.

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES – continued

Group financial statements

The financial statements consolidate the results of the Society and its subsidiaries: GLL (Trading) Limited and North Country Leisure Limited, on a line by line basis. Although a separate Statement of Financial Activities and Income and Expenditure Account is not required for the Society itself, it has nonetheless been included as an appendix. The subsidiary, The Basingstoke Sports & District Sports Trust can be excluded from consolidation under FRS 102 Section 9, as it is immaterial for the purposes of giving a true and fair view.

Fund accounting

Unrestricted funds are available for use at the discretion of the Committee of Management in furtherance of the general objectives of the Society and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Committee of Management for particular purposes. The aim and use of each designated fund, where relevant, is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund, where relevant, is set out in the notes to the financial statements.

Income

All incoming resources from recreation, leisure sites and health activities are included on the Statement of Financial Activities when the Society is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Monthly direct debit subscriptions are recognised on the first day of the period in which they are paid.

Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year.

Under certain contracts that the Society has entered into, the Society is entitled to management fees. As part of the agreements the Society agrees to undertake improvements to facilities. The management fees agreed reflect the level of investment that is to be undertaken and the anticipated increase in the operating results of the facility once the improvements have been completed.

Management fees are often paid in equal instalments over the life of the contract. However the Society recognises the management fee in accordance with the expected profile of the operating results and contracted lifecycle maintenance.

Restricted income is included when the Society is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants/other funding

Grants receivable in respect of a specified period relating to the general activities of the Society are recognised in the Statement of Financial Activities in the period in which they become receivable. 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.

Government grants

Government grants are recognised when it is reasonably certain that the conditions attached the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably, some grants will contain terms or conditions that must be met before the Society has entitlement to the resources and such grants are only recognised when entitlement is confirmed. Where conditions have not been satisfied, these grants are recognised as liabilities. If grants are not conditional on future performance related conditions, then income is recognised when the grant proceeds are receivable.

During the year the Society received the following revenue based grants:

- National Leisure Recovery Fund (NLRFF) to support businesses during lockdown. The amount received has been included in income (note 3).
- COVID-19 relief from Local Authorities in respect of contracts maintained by the Society. The amount received has been included in income (note 4).
- Government Business Grants relating to the retail, hospitality and leisure industries awarded during the lockdown periods. The amount received has been included in income (note 4).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES – continued

Other income

As a result of the pressures on cash flow arising from the Covid19 pandemic, various Local Authorities have provided interest free support payments to GLL and have varied the terms of existing contracts. In a number of cases, the terms for the duration and repayment of these funds are uncertain as any repayment is dependent upon the outcome of contracts going forward.

Accordingly, liabilities have been recognised if the expected outcome is forecast to result in a repayment at the present value of the probable future economic outflow discounted at a market rate for a similar debt instrument. Where the forecasts indicate that it is not probable that the full amount of the support will be repaid, the proportion of the support payment that is not forecast to be repaid has been recognised in the financial statements as other income.

The Committee of Management will review the outcome of these contracts on an annual basis. In the event they consider that there have been revisions to the probable forecast outcome, they will adjust the recognition of liabilities accordingly which may result in adjustments to income previously recognised. Where liabilities are increased following the review, the adjustment will show as negative balance for other income. Where a non-market rate of interest exists on the support to be repaid, the resulting credit has also been recognised in the Statement of Financial Activities as other income.

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. Resources expended include attributable VAT which cannot be recovered.

Support costs allocation

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

Taxation

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

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. This does not apply for the acquisition of subsidiaries, which are treated as business combinations.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Land and buildings	-straight line over 50 years or over the lease term, whichever is shorter
Plant	-straight line over up to 10 years
Improvements to property	-straight line over up to 10 years. Where a contract expires in less than 10 years and there is not an ability to pass the unamortised costs back to the Council or another operator, costs are depreciated over the remaining periods in the contract.
Health & Fitness Equipment	- straight line over 5 years. Where a contract expires in less than 5 years and there is not an ability to sell on or remove the equipment at the end of the contract, costs are depreciated over the remaining periods in the contract.
IT Equipment	-straight line over 4 years
Equipment, fixtures and fittings	-straight line over 5 years. Where a contract expires in less than 5 years and there is not an ability to sell on or remove the plant or machinery at the end of the contract, costs are depreciated over the remaining periods in the contract.
Motor vehicles	-straight line over 4 years

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES – continued

Pensions

The Society operates pension schemes providing benefits based on final pensionable pay and career average related earnings. 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 professionally qualified actuaries. The assets of the scheme are held separately in an independently administered fund.

In respect of those defined benefit pension schemes where the local authority has indemnified the Society against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of a contract, the amount charged to the Statement of Financial Activities represents the contribution payable to the scheme in the accounting period without any actuarial adjustment.

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

Business combinations

Business combinations, except for transactions between entities under common control, are accounted for using the acquisition method of accounting. The acquired identifiable assets and liabilities are measured at their fair values at the date of the acquisition. Where control of an entity has been transferred to the Society, the difference between the consideration and the fair value of the assets or liabilities is treated as a donation or an expense as appropriate.

Service Concession Arrangements

The Society has Service Contracts with Local Authorities for the maintenance and operation of leisure centres and libraries owned by the respective 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 also may have certain exclusive rights for the use of the centres at certain times. The contracts specify minimum standards for the services to be provided, with deductions from the service management fee payable being made if facilities are unavailable or performance is below the minimum standards.

Property, plant and equipment

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

Receipts

The Society, in some cases, receives an agreed payment from the Authorities each year which may in certain cases be adjusted each year by inflation and can be reduced if the Society fails to meet availability and performance standards in any year but which is otherwise fixed.

In cases where the receipt from the Authority includes funding for specific works to be carried out in accordance with specifications laid down in the contract but which has not been spent at the year end a provision is included in the financial statements to reflect this.

Stocks

Stocks consist of purchased goods for resale and 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.

Investment property

Investment properties, which comprise holiday lets, are shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to the Income and Expenditure account.

In accordance with FRS 102 the properties are not depreciated and are valued at fair value at the reporting date by the Committee of Management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES – continued

Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to meet the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect the known circumstances relating to the liability.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Society or a present obligation which cannot be reliably estimated. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities.

Leases

Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Debtors receivable and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Debtors receivable and creditors payable over one year

Debtors and creditors are stated at value due as an appropriate interest/discount rate is effectively applied.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES – continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Society'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 28.

The Society in recognising some management fee income does so in accordance with an expected profile of operating results, the amounts recognised in advance are included in the accounts as debtors due greater than one year.

The impairment of COVID related support liabilities has been calculated with reference to the projected profile of future probability on contracts with reference to contract termination dates. There is a high degree of uncertainty in these estimates particularly in light of the uncertainty surrounding post COVID trading levels. The recognition of these liabilities will be reviewed at each accounting date to reflect actual and revised projections of performance.

Management Fee recognition

Management fees are recorded in the financial statements in line with the contract, this can be one of two methods. Method one requires the recognition of the management fee on a cash receipt/payment basis with the management fee released to the SOFA as and when cost/income is recognised. This often leaves no balance sheet amount held other than a month/quarter in arrears/prepaid. Method two is whereby the management fee released to the P&L differs to the amount received/paid due to the amount being received/paid split more evenly throughout the life of the contract or to cover the additional costs incurred at the start of a contract. Method two leads to a balance sheet amount being held to take into account the timing differences between the amounts recognised and received/paid.

Financial instruments

The 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 on 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.

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022****1. ACCOUNTING POLICIES – continued****Financial instruments (continued)****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 or liability 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.

Foreign currency

In accordance with FRS102 section 30, GLL translate foreign currency transactions using the spot exchange rate. The value of foreign currency is adjusted at the year-end for movements in the spot rate at this time. Non-monetary items are recognised at the historic rate and non-monetary items measured at fair value translated at the rate of the date when the fair value is re-measured.

Differences are recognised through the SOFA.

2. FINANCIAL ACTIVITIES OF THE SOCIETY

The financial activities shown in the Group Statement of Financial Activities include those of the Society's subsidiaries: GLL (Trading) Limited and North Country Leisure Limited.

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

	31.12.22 £	31.12.21 £
Gross incoming resources	307,957,251	233,423,546
Investment management costs	(60,261)	(49,180)
Total expenditure on charitable activities	(311,119,408)	(235,128,618)
Governance costs	(163,667)	(94,780)
Other resources expended	-	(103,441)
Net incoming resources	(3,386,085)	(1,952,473)
Actuarial (loss)/gain on defined benefit pension scheme	76,338,000	20,986,000
Net liabilities acquired on schemes	-	(3,738,000)
	<u>72,951,915</u>	<u>15,295,527</u>

3. DONATIONS

	31.12.22 £	31.12.21 £
Donation income	<u>2,901,081</u>	<u>38,457,016</u>

The Group received £2,901,081 (2021: £38,106,105) of restricted grant funding, from the government's Coronavirus Job Retention Scheme (CJRS) of £Nil (2021: £26,522,907) and the National Leisure Recovery Fund (NLRF) of £2,901,081 (2021: £11,583,198).

The Group received further government unrestricted COVID relief grant funding, from the Community Leisure Recovery Fund (CLRF) of £Nil (2021: £350,911).

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022****4. INCOME FROM CHARITABLE ACTIVITIES**

	31.12.22	31.12.21
	£	£
Operation of leisure, recreation sites and health activities	256,617,182	143,454,964
Management fees	42,001,429	39,706,955
Other funding	4,466,050	1,985,031
Government Grants – COVID-19 relief	1,389,259	3,805,431
Government Grants –Business Grants	441,985	8,246,673
	<u>304,915,905</u>	<u>197,199,054</u>

5. INCOME FROM OTHER TRADING ACTIVITIES – COMMERCIAL TRADING OPERATIONS

A summary of the trading results of the Group is shown below (this represents the results of GLL (Trading) Limited for the period):

	31.12.22	31.12.21
	£	£
Turnover	2,954,742	1,854,913
Turnover – Restricted - Coronavirus Job Retention Scheme (CJRS)	-	443,469
Cost of sales and administration costs	(2,675,496)	(2,077,023)
Net profit/(loss)	<u>279,246</u>	<u>221,359</u>

6. INVESTMENT INCOME

	31.12.22	31.12.21
	£	£
Interest received	-	-
Rent	221,204	55,653
	<u>221,204</u>	<u>55,653</u>

7. FAIR VALUE OF FINANCIAL LIABILITIES AND DISCOUNTED INTEREST GAIN

	31.12.22	31.12.21
	£	£
Fair value adjustment - Covid support payments	(219,736)	(2,100,751)
Discounted interest on Covid support payments	-	67,356
	<u>(219,736)</u>	<u>(2,033,395)</u>

The amount that is considered not to be repayable, based on forecast profitability for the remaining duration of the relevant contracts has been recalculated as £3,286,713 not considered repayable (2021: £3,506,449 not considered repayable). Liabilities of £4,657,334 (2021: £4,407,089) are included within other loans in note 25 after accounting for the discounted interest gain arising because the loans are not subject to interest. The recognition of these liabilities will be reviewed on an annual basis and adjusted as required based on forecast profitability.

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022****8. INVESTMENT MANAGEMENT COSTS**

	31.12.22	31.12.21
	£	£
Insurance	5,750	2,975
Rates and water	290	1,722
Light and heat	-	3,446
Legal fees	3,683	5,413
Site services	49,780	21,283
Other expenses	758	14,341
	<u>60,261</u>	<u>49,180</u>

The above are costs incurred in relation to management and maintenance of the Society's investment properties.

9. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES EXPENSES

	Direct Costs	Support Costs (see note 10)	31.12.22 Total Charitable Activities	31.12.21 Total Charitable Activities
	£	£	£	£
Leisure, recreation and health activities	<u>294,704,143</u>	<u>16,533,682</u>	<u>311,237,825</u>	<u>235,478,179</u>

10. SUPPORT COSTS

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

	31.12.22 Operation of leisure, recreation sites and health activities £	31.12.21 Operation of leisure, recreation sites and health activities £
Wages	6,658,147	6,077,401
Premises expenses	8,364,614	6,956,914
Motor and travel	163,944	65,345
Overheads	1,241,377	304,956
Governance costs (note 11)	<u>105,600</u>	<u>94,780</u>
	<u>16,533,682</u>	<u>13,499,396</u>

11. GOVERNANCE COSTS

	31.12.22 £	31.12.21 £
Auditors' remuneration	87,140	75,425
Auditors' remuneration – Teachers Pension	400	350
Auditors' remuneration for non-audit work	18,060	19,005
Auditors' remuneration for audit of subsidiary accounts	-	-
	<u>105,600</u>	<u>94,780</u>

12. OTHER RESOURCES EXPENDED

	31.12.22 £	31.12.21 £
Social Bond interest payable	-	<u>103,441</u>
	<u>-</u>	<u>103,341</u>

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022****13. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

	31.12.22	31.12.21
	£	£
Auditors' remuneration	87,140	75,775
Auditors' remuneration for non-audit work	18,460	19,005
Depreciation - owned assets	7,324,229	8,222,357
Hire of plant and machinery	1,019,909	810,920
Deficit/(Surplus) on disposal of fixed asset	(540,339)	460,993
Goodwill amortisation	<u>18,534</u>	<u>18,534</u>

14. COMMITTEE MEMBERS' EMOLUMENTS

	31.12.22	31.12.21
	£	£
Committee members' emoluments	750,975	856,241

The number of committee members to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>9</u>	<u>9</u>
-------------------------	----------	----------

The emoluments paid to committee members including the chairman and the highest paid member refer to salaries and benefits in kind paid for employment with the Society. For full details see below. Committee members do not receive any remuneration in respect of their position as charity trustees.

The value of the committee members' remuneration was as follows:

	31.12.22	31.12.21
	£	£
J M Sesnan	187,524	214,219
A Ritchie	53,210	47,775
G Kirk	97,921	89,632
M Perren	35,046	64,696
E Thoroughgood	59,480	51,305
J Seale - Resigned 30/06/2021	-	21,766
K Gainsda - Resigned 30/06/2021	-	22,985
C Dean - Resigned 30/06/2021	-	26,178
C Myring - Left 29/06/2022	23,181	41,386
W Wardulenska - Left 29/06/2022	30,174	50,256
P Shearman	56,182	52,482
E Lewis	57,605	27,283
R Gediking	57,654	26,525
A Kitchen	41,422	19,601
A Rennie	25,788	-
S Terry	25,788	-

Trustees' Expenses

During the year, reimbursed expenses amounting to £Nil (2021: £Nil) were paid to Trustees.

The total amount of employee benefits received by key management personnel is £694,797 (2021: £649,924). The Society considers its key management personnel comprises of the Chief Officers of the Society, consisting of J M Sesnan, P Donnay, P Bunday, and A Bindon.

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 DECEMBER 2022**15. STAFF COSTS**

	31.12.22 £	31.12.21 £
Wages and salaries (including social security and pension costs)	135,391,112	117,273,238
Recharge of North Country Leisure Wages and salaries	-	270,775
Redundancy and severance payments	194,471	676,689
Social Security costs	10,672,454	8,114,555
Recharge of North Country Leisure Social Security costs	-	14,303
Pension costs	8,493,085	7,412,367
Recharge of North Country Leisure Pension costs	-	51,110
Defined benefit difference between service charge and contributions paid	3,048,000	2,889,000
	<u>157,799,122</u>	<u>136,702,037</u>

Redundancy and severance payments in general include payments to pension funds in respect of pension strain. However, included amongst those amounts is £61,562 (2021: £265,115) in respect of mutually agreed settlements. These were made in addition to contractual arrangements and were made for the benefit of both the individuals and GLL in the long term.

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

	31.12.22	31.12.21
Direct	8,558	8,200
Administration and support	314	303
Management	8	9
	<u>8,880</u>	<u>8,512</u>

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

	31.12.22	31.12.21
£60,000 - £70,000	28	14
£70,001 - £80,000	14	7
£80,001 - £90,000	5	6
£90,001 - £100,000	5	3
£100,001 - £110,000	2	1
£110,001 - £120,000	2	-
£120,001 - £130,000	-	3
£130,001 - £140,000	2	-
£140,001 - £150,000	-	2
£150,001 - £160,000	1	-
£160,001 - £170,000	1	-
£180,001 - £190,000	2	-
£210,001 - £220,000	-	1

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

31.12.22	31.12.21
55	33

16. TAXATION

The society is defined for tax purposes as a charitable organisation and accordingly no liability to UK corporation tax has arisen on the deficit for the current year (2021: £Nil).

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022****17. INTANGIBLE FIXED ASSETS****Group and Society**

	Goodwill £
COST	
At 1 January 2022	950,129
Disposals	<u>(38,000)</u>
At 31 December 2022	<u>912,129</u>
AMORTISATION	
At 1 January 2022	920,990
Charge for year	18,534
Eliminated on disposal	<u>(38,000)</u>
At 31 December 2022	<u>901,524</u>
NET BOOK VALUE	
At 31 December 2022	<u>10,605</u>
At 31 December 2021	<u>29,139</u>

18. TANGIBLE FIXED ASSETS**Group**

	Freehold/ Leasehold property £	Leasehold improvements £	Equipment £	Motor vehicles £	Totals £
COST					
At 1 January 2022	27,023,035	49,736,811	56,547,577	1,050,134	134,357,557
Additions	-	440,449	3,396,113	750,918	4,587,480
Disposals	<u>(637,804)</u>	<u>(551,645)</u>	<u>(46,407)</u>	<u>(503,601)</u>	<u>(1,739,457)</u>
At 31 December 2022	<u>26,385,231</u>	<u>49,625,615</u>	<u>59,897,283</u>	<u>1,297,451</u>	<u>137,205,580</u>
DEPRECIATION					
At 1 January 2022	4,499,774	35,012,010	49,582,689	631,755	89,726,228
Charge for year	628,316	2,997,799	3,451,142	246,972	7,324,229
Eliminated on disposal	<u>(297,687)</u>	<u>(273,068)</u>	<u>(42,539)</u>	<u>(364,766)</u>	<u>(978,060)</u>
At 31 December 2022	<u>4,830,403</u>	<u>37,736,741</u>	<u>52,991,292</u>	<u>513,961</u>	<u>96,072,397</u>
NET BOOK VALUE					
At 31 December 2022	<u>21,554,828</u>	<u>11,888,874</u>	<u>6,905,991</u>	<u>783,490</u>	<u>41,133,183</u>
At 31 December 2021	<u>22,523,261</u>	<u>14,724,801</u>	<u>6,964,888</u>	<u>418,379</u>	<u>44,631,329</u>

GREENWICH LEISURE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. TANGIBLE FIXED ASSETS - continued

Society	Freehold/ Leasehold property £	Improvements to property £	Equipment £	Motor vehicles £	Totals £
COST					
At 1 January 2022	26,948,606	49,736,811	56,547,577	1,050,134	134,283,128
Additions	-	440,449	3,396,113	750,918	4,587,480
Disposals	(637,804)	(551,645)	(46,407)	(503,601)	(1,739,457)
At 31 December 2022	<u>26,310,802</u>	<u>49,625,615</u>	<u>59,897,283</u>	<u>1,297,451</u>	<u>137,131,151</u>
DEPRECIATION					
At 1 January 2022	4,425,345	35,012,010	49,582,689	631,755	89,651,799
Charge for year	628,316	2,997,799	3,451,142	246,972	7,324,229
Eliminated on disposal	(297,687)	(273,068)	(42,539)	(364,766)	(978,060)
At 31 December 2022	<u>4,755,974</u>	<u>37,736,741</u>	<u>52,991,292</u>	<u>513,961</u>	<u>95,997,968</u>
NET BOOK VALUE					
At 31 December 2022	<u>21,554,828</u>	<u>11,888,874</u>	<u>6,905,991</u>	<u>783,490</u>	<u>41,133,183</u>
At 31 December 2021	<u>22,523,261</u>	<u>14,724,801</u>	<u>6,964,888</u>	<u>418,379</u>	<u>44,631,329</u>

Group and Society

Included above are assets with a net book value of £Nil (2021: £Nil) held under finance leases or hire purchase contracts.

Freehold/leasehold property includes freehold properties with a net book value of £15,388,601 (2021: £15,711,432). Included in cost of Freehold/Leasehold property is land of £164,438. (2021: £164,438) which is not being depreciated.

There is a charge over the assets at Mayesbrook Park, Lodge Avenue, Dagenham in regards to funding from The English Sports Council. The funding received is payable on demand upon breach of any terms and conditions.

19. FIXED ASSET INVESTMENTS

Group and Society

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 January 2022 and 31 December 2022	<u>11</u>	<u>286,797</u>	<u>286,808</u>
NET BOOK VALUE			
At 31 December 2022	<u>11</u>	<u>286,797</u>	<u>286,808</u>

There were no investment assets outside the UK.

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

Leisure Partners Limited (Company number 07259179)

Nature of business: Dormant

Class of shares:

Ordinary

% holding
100.00

	31.12.22	31.12.21
	£	£
Aggregate capital and reserves	<u>10</u>	<u>10</u>

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 DECEMBER 2022**19. FIXED ASSET INVESTMENTS - continued****Woolwich Phase 5 Management Company Limited (Company number 06292797)**

Nature of business: Management Company

Class of shares:

% holding

Ordinary

16.66

31.12.22

31.12.21

£

£

Aggregate capital and reserves

11

GLL (Trading) Limited (Company number 04234158) – Audit exemption has been claimed in respect of the entity's individual accounts in accordance with section 479A of the Companies Act 2006. Greenwich Leisure Limited has guaranteed all of the liabilities of the company.

Nature of business: Non charitable trading

Class of shares:

% holding

Ordinary

100.00

31.12.22

31.12.21

£

£

Income

2,954,742

2,294,741

Expenditure

(2,675,496)

(2,073,381)

Profit/(Loss) for the period

279,246

221,360

Aggregate capital and reserves

-(140,448)

The Training Room Health and Fitness Limited (Company number 04727904) - Audit exemption has been claimed in respect of the entity's individual accounts in accordance with section 479A of the Companies Act 2006. Greenwich Leisure Limited has guaranteed all of the liabilities of the company.

Nature of business: Management of leisure services

Class of shares:

% holding

Limited by shares

100.00

31.12.22

31.12.21

£

Aggregate funds

-

-

Surplus for the period (realisation of revaluation of assets)

--

North Country Leisure Limited (Company number 03683103) - Audit exemption has been claimed in 2021 respect of the entity's individual accounts in accordance with section 479A of the Companies Act 2006. Greenwich Leisure Limited has guaranteed all of the liabilities of the company. There is now an active proposal to strike the entity off of the register.

Nature of business: Management of leisure services

Class of shares:

% holding

Limited by guarantee

100.00

31.12.22

31.12.21

£

£

Income

-

336,188

Expenditure

-

(336,188)

Other recognised gains and losses

-

-

Surplus/(Deficit) for the year

-

-

Aggregate funds

--

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022****19. FIXED ASSET INVESTMENTS - continued**

The Basingstoke Sports & District Sports Trust (Company number 00980152, Charity number 1075009) - Audit exemption has been claimed in respect of the entity's individual accounts in accordance with section 479A of the Companies Act 2006. Greenwich Leisure Limited has guaranteed all of the liabilities of the company.

Nature of business: Management of leisure services

Class of shares:	% holding	31.12.22	Period ended 31.03.2022
Limited by guarantee	100.00		
		£	£
Income		56	2,702,210
Expenditure		(196,689)	(3,502,822)
Other recognised gains and losses		-	579,000
Surplus/(Deficit) for the year		(196,633)	(221,612)
Aggregate capital and reserves		<u>1,077,925</u>	<u>(1,274,558)</u>

20. INVESTMENT PROPERTY

Group and Society	Total £
COST	
At 1 January 2022	1,192,024
Additions	43,898
Disposals	<u>(392)</u>
At 31 December 2022	<u>1,235,530</u>
NET BOOK VALUE	
At 31 December 2022	<u>1,235,530</u>
At 31 December 2021	<u>1,192,024</u>

In accordance with FRS 102, investment properties are shown at fair value and are not subject to depreciation. The value of the properties at the balance sheet date has been assessed by the Committee of Management who do not consider there to have been a material change in market value since the properties were purchased in 2010 when an independent valuation was carried out by the vendor. The properties purchased during 2012 are included at cost and the Board consider this to be reflective of the open market value at the balance sheet date.

21. STOCKS

	Group		Society	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Stocks	<u>778,933</u>	<u>599,892</u>	<u>778,933</u>	<u>599,892</u>

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

22. DEBTORS

	Group		Society	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	11,853,307	8,182,319	11,853,307	8,182,319
Other debtors	16,908,741	8,076,029	16,908,741	8,076,029
Loans to employees	99,496	111,976	99,496	111,976
Prepayments and accrued income	9,183,858	5,729,798	9,183,858	5,729,798
Amounts receivable on long term contracts	7,363,062	3,894,920	7,363,062	3,894,920
Amounts owed by group undertakings	-	-	-	140,449
	<u>45,408,464</u>	<u>25,995,042</u>	<u>45,408,464</u>	<u>26,135,491</u>
	Group		Society	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Amounts falling due after more than one year:				
Loans to employees	-	3,330	-	3,330
Amounts receivable on long term contracts	1,878,632	4,005,266	1,878,632	4,005,266
Other debtors	<u>1,437,434</u>	<u>1,551,824</u>	<u>1,437,434</u>	<u>1,551,824</u>
	<u>3,316,066</u>	<u>5,560,420</u>	<u>3,316,066</u>	<u>5,560,420</u>
	<u>48,724,530</u>	<u>31,555,462</u>	<u>48,724,530</u>	<u>31,695,911</u>

The Society "other debtors" figure of £18,346,175 (2021: £9,627,853) falling due within one year and more than one year includes the following key items:

- Fees due from local authority clients and other partners not invoiced at the year-end amounting to £10,085,394 (2021: £3,695,242);
- GLL Capital developments works in progress amounting to £3,325,127 (2021: £1,290,921);
- Client Capital development works delivered as agents by GLL that had not been recharged at the year-end amounting to £4,935,654 (2021: £4,641,690).
- Other debtors include loans to Openplay Limited £1,572,978 (2021 : £1,551,824) and The Basingstoke & District Sports Trust £1,800,984 (2021 : Nil)

The Society "amounts receivable on long term contracts" falling due after more than one year of £1,878,632 (2021: £4,005,266) relates to Council contract management fees recognised in advance of receipt which are recoverable in more than one year. Under certain contracts, Councils have opted for a "flat line" or "stepped" fee to fit within the Council annual budgets. GLL has agreed to facilitate these cash flow arrangements at a cost where appropriate resulting in these debtors. No members of the Management Committee are in receipt of loans to employees.

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Society	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Bank loans (see note 25)	10,255,519	2,784,612	10,255,519	2,784,612
Other loans (see note 25)	3,026,113	2,462,918	3,026,113	2,462,918
Trade creditors	14,120,201	6,363,584	14,120,201	6,363,584
Other creditors	12,620,796	13,335,261	12,620,796	13,335,176
Social security and other taxes	3,215,220	3,012,422	3,215,220	3,012,422
Accrued expenses	16,573,174	19,280,834	16,573,174	19,280,834
Receipts in advance	21,745,458	20,296,934	21,745,458	20,296,934
Amounts owed to group undertakings	-	-	-	-
	<u>81,556,481</u>	<u>67,536,565</u>	<u>81,556,481</u>	<u>67,536,480</u>

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Deferred income

	31.12.22	31.12.21
	£	£
Deferred income at 1 January	20,296,934	15,772,799
Resources deferred in the year	21,745,458	20,296,934
Amounts released from previous periods	<u>(20,296,934)</u>	<u>(15,772,799)</u>
	<u>21,745,458</u>	<u>20,296,934</u>

Other Creditors of £12,620,796 (2021: £13,335,261) in the Group accounts includes £1,957,640 (2021: £1,846,083) of 3rd party income collected as agent and payable upon receipt of a purchase invoice and £5,974,498 (2021: £5,622,016) accrued surplus share payable to local authority clients under contractual arrangements.

The Society deferred income figure of £21,745,459 (2021: £20,296,934) relates to income received in advanced to be credited to the revenue account in the future as and when appropriate. This figure consists of annual management fees for various contracts released over the term of the contract; invoiced income where the prepaid event has not yet occurred; current projects where the income is released as and when it is required.

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

	Group		Society	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Bank loans (see note 25)	4,440,739	12,065,239	4,440,739	12,065,239
Other loans (see note 25)	<u>8,280,490</u>	<u>9,295,535</u>	<u>8,280,489</u>	<u>9,295,535</u>
	<u>12,721,229</u>	<u>21,360,774</u>	<u>12,721,228</u>	<u>21,360,774</u>

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

25. LOANS

An analysis of the maturity of loans is given below:

	Group		Society	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Amounts falling due within one year on demand:				
Bank loans	10,255,519	2,784,612	10,255,519	2,784,612
Other loans	<u>3,026,113</u>	<u>2,462,918</u>	<u>3,026,113</u>	<u>2,462,918</u>
	<u>13,281,632</u>	<u>5,247,530</u>	<u>13,281,632</u>	<u>5,247,530</u>
Amounts falling due between one and two years:				
Bank loans	196,972	7,760,923	196,972	7,760,923
Other loans	<u>2,725,829</u>	<u>1,453,958</u>	<u>2,725,829</u>	<u>1,453,958</u>
	<u>2,922,801</u>	<u>9,214,881</u>	<u>2,922,801</u>	<u>9,214,881</u>
Amounts falling due between two and five years:				
Bank loans	656,786	800,204	656,786	800,204
Other loans	<u>4,286,209</u>	<u>5,807,198</u>	<u>4,286,209</u>	<u>5,807,198</u>
	<u>4,942,995</u>	<u>6,607,402</u>	<u>4,942,995</u>	<u>6,607,402</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	3,586,981	3,504,112	3,586,981	3,504,112
Other loans	<u>1,268,452</u>	<u>2,034,379</u>	<u>1,268,452</u>	<u>2,034,379</u>
	<u>4,855,433</u>	<u>5,538,491</u>	<u>4,855,433</u>	<u>5,538,491</u>

In 2014 the Society took out a Mortgage which is secured as detailed in note 27. This loan is for 25 years and attracts interest at 1.5%. Capital and interest payments are made monthly.

In the year ended 31 December 2020 the Society secured a Coronavirus Large Business Interruption Loan of £10,000,000. Repayable over 3 years. Interest is charged at 2.4% over the Bank of England base rate. As at 31 December 2022 the amounts due in one year total £6,918,433. This is secured against GLL assets via debenture, however 80% is underwritten by the UK Government and 20% by GLL.

In the year ended 31 December 2020 the Society renegotiated its Rolling Credit Facility with Barclays. The facility is for £9,750,000 for a period of 3 years. Interest is charged at 2.10% over Bank of England Base rate. As at 31 December 2022 the amounts due in one year total £3,149,469. This is secured against GLL assets via debenture.

Included within other loans are amounts owed to Newcastle County Council of £3,440,747 (2021: £4,142,203). The facilities are for 24 and 7 years. Interest is charged at 5.23% and 3.42%. There are also amounts owed to Cornwall Council of £3,199,000 (2021: £3,199,000).

Included within other loans are repayments due in respect of Covid Support payments from Local Authorities see Note 7. At the year-end the balance outstanding on these loans was £4,657,334 (2021: £4,407,089).

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022****26. OPERATING LEASE COMMITMENTS**

Total future minimum lease payments under non-cancellable operating leases fall due as follows:

Group and Society

	Land and buildings		Equipment	
	31.12.22 £	31.12.21 £	31.12.22 £	31.12.21 £
Within one year	7,328,658	7,328,658	8,766	-
Between one and five years	31,741,662	31,741,662	18,474	-
In more than five years	<u>32,954,552</u>	<u>39,999,803</u>	-	-
	<u>72,024,872</u>	<u>79,070,123</u>	<u>27,240</u>	<u>-</u>

This note reflects the requirements of FRS 102 section 20. For the purposes of the disclosure we have assumed RPI to be 3.0% and calculated the expected lease rent payments in accordance with the terms of the various leases.

The building leases relate mostly to the stand alone facilities acquired over the years. The remaining terms of these building leases range from 4 years to 22 years

27. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.22 £	31.12.21 £
Bank loans	14,696,258	14,849,851
Cornwall Council	3,199,000	3,199,000
Other loans	3,440,747	4,142,203
Yelverton Properties	<u>3,900</u>	<u>3,900</u>
	<u>21,339,905</u>	<u>22,194,954</u>

Bank loan

First legal charge held over leasehold property known as Sporthouse, Mayesbrook Park, Lodge Avenue, Dagenham dated 31 January 2014.

Bank credit facility

Revolving credit facility agreement secured on properties.

Cornwall Council loan

A Covid relief loan of £3,199,000 (2021: £3,199,000) from Cornwall Council.

Other loans

A loan of £3,440,747 (2021: £4,142,203) from Newcastle City Council.

Yelverton Properties

A rent deposit of £3,900 equal to the sum of 3 months principal rent relating to Yelverton Properties and is secured with a fixed charge on the assets of the Society.

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 DECEMBER 2022**28. EMPLOYEE BENEFIT OBLIGATIONS**

The Society operates defined benefit pension schemes for some employees. The Society 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 Society in such a way that the pension cost is a substantial level percentage of future pensionable payroll.

Latest actuarial valuations were carried out at 31 March 2019 and updated at the balance sheet date.

Group

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Present value of funded obligations	(80,052,000)	(158,875,000)
Fair value of plan assets	<u>96,740,000</u>	<u>103,410,000</u>
Present value of unfunded obligations	<u>16,688,000</u>	<u>(55,465,000)</u>
Surplus/(Deficit)	<u>16,688,000</u>	<u>(55,465,000)</u>
Net Asset/(Liability)	<u>16,688,000</u>	<u>(55,465,000)</u>

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

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Current service cost	5,404,000	5,013,000
Administrative expenses	126,000	69,000
Net interest cost	1,011,000	945,000
Losses/(gains) on curtailments and settlements	-	7,000
	<u>6,164,000</u>	<u>6,034,000</u>
Actual return on plan assets	<u>(7,399,000)</u>	<u>12,056,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Actuarial gains / (losses)	<u>76,338,000</u>	<u>22,900,000</u>
	<u>76,338,000</u>	<u>22,900,000</u>
Cumulative amount of actuarial gains / (losses)	<u>50,298,009</u>	<u>(26,039,991)</u>

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Defined benefit obligation brought forward	(158,875,000)	(171,045,000)
Liabilities acquired	-	(8,532,000)
Current service cost	(5,404,000)	(5,013,000)
Contributions by scheme participants	(864,000)	(759,000)
Interest cost	(2,940,000)	(2,156,000)
Remeasurements	83,958,000	7,567,000
Benefits paid	1,920,000	2,229,000
Past service costs	-	(7,000)
Administration expenses	(62,000)	(8,000)
Experience (losses)/gains	2,215,000	2,574,000
Pass-through arrangement movement	-	16,275,000
	<u>(80,052,000)</u>	<u>(158,875,000)</u>

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

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Fair value of scheme assets brought forward	103,410,000	100,321,000
Assets acquired	-	4,794,000
Contributions by employer	2,356,000	2,131,000
Contributions by scheme participants	864,000	759,000
Interest on assets	1,929,000	1,211,000
Return on assets less interest	(9,552,000)	10,602,000
Benefits paid	(1,920,000)	(2,229,000)
Other actuarial gains	(283,000)	243,000
Administration expenses	(64,000)	(61,000)
Pass-through arrangement movement	-	(14,361,000)
	<u>96,740,000</u>	<u>103,410,000</u>

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

	Defined benefit pension plans	
	31.12.22	31.12.21
Equities	45.77%	47.17%
Bonds	7.66%	14.93%
Property	8.63%	9.03%
Cash/other	35.16%	26.24%
Gilts	2.78%	2.63%
	<u>100.00%</u>	<u>100.00%</u>

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 DECEMBER 2022**28. EMPLOYEE BENEFIT OBLIGATIONS - continued**

As the Society operates multiple defined benefit schemes, the following table sets out the impact of a small change, in the largest of the schemes (surplus of £2,929,000 at the balance sheet date), in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£ +0.1%	£ 0.0%	£ -0.1%
Adjustment to discount rate			
Present value of total obligation	42,543,000	43,528,000	44,537,000
Projected service cost	915,000	958,000	1,003,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	44,853,000	43,528,000	42,243,000
Projected service cost	1,002,000	958,000	916,000

Principal actuarial assumptions at the balance sheet date:

	31.12.22	31.12.21
Discount rate	4.50% - 4.90%	1.7% - 1.9%
Future salary increases	3.45% - 4.10%	3.3% - 4.3%
Future pension increases	2.50% - 2.95%	2.8% - 2.9%
Price increases	2.50% - 2.95%	2.7% - 2.9%

Society

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Present value of funded obligations	(80,052,000)	(158,875,000)
Fair value of plan assets	<u>96,740,000</u>	<u>103,410,000</u>
Present value of unfunded obligations	<u>16,688,000</u>	<u>(55,465,000)</u>
Surplus/(Deficit)	<u>16,688,000</u>	<u>(55,465,000)</u>
Net Asset/(Liability)	<u>16,688,000</u>	<u>(55,465,000)</u>

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 DECEMBER 2022**28. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Current service cost	5,404,000	5,013,000
Administrative expenses	126,000	69,000
Net interest cost	1,011,000	945,000
Losses on curtailments and settlements		7,000
	<u>6,541,000</u>	<u>6,034,000</u>
Actual return on plan assets	<u>(7,623,000)</u>	<u>12,056,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Actuarial gains / (losses)	<u>76,338,000</u>	<u>20,986,000</u>
	<u>76,338,000</u>	<u>20,986,000</u>
Cumulative amount of actuarial gains / (losses)	<u>50,298,009</u>	<u>(22,074,991)</u>

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

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Defined benefit obligation brought forward	(158,875,000)	(154,770,000)
Liabilities acquired	-	(8,532,000)
Current service cost	(5,404,000)	(5,013,000)
Contributions by scheme participants	(864,000)	(759,000)
Interest cost	(2,940,000)	(2,156,000)
Remeasurements	83,958,000	7,567,000
Benefits paid	1,920,000	2,229,000
Past service costs	-	(7,000)
Administration expenses	(62,000)	(8,000)
Experience (losses)/gains	<u>2,215,000</u>	<u>2,574,000</u>
	<u>(80,052,000)</u>	<u>(158,875,000)</u>

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 DECEMBER 2022**28. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.12.22	31.12.21
	£	£
Fair value of scheme assets brought forward	103,410,000	85,960,000
Assets acquired	-	4,794,000
Contributions by employer	2,356,000	2,131,000
Contributions by scheme participants	864,000	759,000
Interest on assets	1,929,000	1,211,000
Return on assets less interest	(9,552,000)	10,602,000
Benefits paid	(1,920,000)	(2,229,000)
Other actuarial gains	(283,000)	243,000
Administration expenses	(64,000)	(61,000)
	<u>96,740,000</u>	<u>103,410,000</u>

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

	Defined benefit pension plans	
	31.12.22	31.12.21
Equities	45.77%	47.17%
Bonds	7.66%	14.93%
Property	8.63%	9.03%
Cash/other	35.16%	26.24%
Gilts	2.78%	2.63%
	<u>100.00%</u>	<u>100.00%</u>

As the Society operates multiple defined benefit schemes, the following table sets out the impact of a small change, in the largest of the schemes (surplus of £2,929,000 at the balance sheet date), in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	42,543,000	43,528,000	44,537,000
Projected service cost	915,000	958,000	1,003,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	44,853,000	43,528,000	42,243,000
Projected service cost	1,002,000	958,000	916,000

Principal actuarial assumptions at the balance sheet date:

	31.12.22	31.12.21
Discount rate	4.50% - 4.90%	1.7% - 1.9%
Future salary increases	3.45% - 4.10%	3.3% - 4.3%
Future pension increases	2.50% - 2.95%	2.8% - 2.9%
Price increases	2.50% - 2.95%	2.7% - 2.9%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

Future employer contribution rates per borough are detailed below:

	FRS 102 2021/22	FRS 102 2022/23	FRS 102 2023/24	FRS 102 2024/25
Rate	24	24	26	26
Rate	28.7%+3.9%=32.6% + annual payment of £20k+£1893 per month	44.1% +£13,680 +£2063 per month	44.1% +£13,680 +£2063 per month	44.1% +£13,680 +£2063 per month
Rate	16	16	17	17
Rate	30.4% +£17,000	30.4% +£17,000	31	31
Rate	34% + 67k	34% + 67k	41	41
Rate	29	31	0	0
Rate	20.6 LESS 31200	20.6 LESS 31900	23.3 less 29400	23.3 less 30300
Rate	21.5 LESS 6000	21.5 LESS 6100	22.2 less 7500	22.2 less 7500
Rate	24	24	20	20

Additional background information

Volatility in the investment markets continues to significantly affect the disclosures of pension assets and liabilities under FRS102 section 28 on the balance sheet.

In last year's account, we reported that the discount rate had increased slightly having the impact of reducing the accounting deficit by over 20% in 2021. The discount rate continued to rise significantly through 2022 resulting in the previously reported deficit on the balance sheet to change into an accounting surplus position.

In prior years, we reported growing accounting deficits but explained that in real term, these had no impact on GLL's actual payable liabilities and contributions. The now reported accounting surplus also has no effect on the actual pension costs.

As at the 31st December 2022, the discount rate had risen significantly to around 4.8% having the impact of changing the disclosure on the balance sheet from a liability of £55m to an accounting surplus of £16.7m. At the same time, the actuarial valuation carried out on the ongoing basis confirmed the actual position in the funds had risen to a surplus of £18m from the prior year surplus of £1.9m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

For clarity, these pension disclosures here relate to Defined Benefit schemes GLL is a member of. Most of these are through membership of the Local Government Pension Schemes (LGPS).

Pensions' valuation and disclosure is a difficult and controversial topic and because of the complexities, it is an area that requires further explanation. It is important to appreciate how the LGPS and other DB pension schemes work and how ongoing contributions requirements are calculated to ensure the scheme remain or become fully funded in the long term.

FRS102 section 28 is an accounting standard in relation to the calculation and disclosure of company pension scheme liabilities. It requires that employers make full provision for all pension scheme liabilities on their balance sheet – both in respect of any outstanding employer contributions (there aren't any) and (more significantly) any attributable share of the pension scheme actuarial deficit in respect of defined benefit schemes.

The FRS102 pensions liability calculation used for accounting purposes are based largely on the actuarial Ongoing Basis calculations (such as inflation, life expectancy etc) **but crucially differ in one key respect – that of the discount factor used to arrive at net present value of any surplus or deficit.** Whereas the "Ongoing Basis" uses estimated actuarial investment returns based on past and expected future performance, the FRS102 calculation uses a return based specifically on AA rated Government gilts. Prior to last year, the FRS102 calculation had resulted in significantly lower discount factors than the Ongoing Basis – and therefore high net present pension scheme deficits. It is therefore quite common for an organisation like GLL to take on a new local authority contract and a fully funded pension scheme under the Ongoing Basis only to find that this gives rise to a significant FRS102 deficit (which need full provision in the accounts) due to the specific FRS102 discount factor required to be used. With the significant discount rate increase in the last year, the differential between the valuation methods has almost disappeared.

Future employer contributions are calculated at each tri-annual actuarial valuation. The actuaries calculate the scheme surplus or deficit based on prevailing assumptions around returns, inflation, discount factors, life expectancy etc. and then calculate the employer contribution required to a) maintain and provide for current and future pensions and b) reduce any deficit over time if one exists. The employer contributions required are communicated to the employers and remain in place until the next tri-annual valuation. For all LGPS, the last tri-annual actuarial valuation was carried out in 2022 and new rates set for 3 years from April 2023.

The employer contribution rates are therefore established by the actuaries on the Ongoing Basis and have **no direct linkage** to the FRS102 calculations or provisions. To put it another way, a change in the FRS102 provision does not on its own impact the employer contribution.

A few key points to note:

- GLL is up to date with all required employer contributions in all of its schemes.
- The majority of GLL's employees in DB schemes are members of one of the LGPS schemes under admissions agreements – these are subject to tri-annual actuarial valuations which then establish the actuarial surplus or deficit and the required ongoing employer contribution rates.
- When GLL secures new contracts, it always takes on a fully funded pension liability calculated under the actuarial Ongoing Basis.
- FRS102 requires a different method of calculating a pension scheme deficit – based on AA rated bond yields rather than actuarial forecast investment returns. Due to this, FRS102 can give rise to high deficit calculations for accounting purposes – however it is important to understand that FRS102 is not the recognised actuarial method to calculate the necessary contribution rate and can overstate the actuarial liability or skew the results in the accounts.
- GLL's required employer contributions only change every three years based on the tri-annual actuarial valuation on the Ongoing Basis. Changes to the annual FRS102 valuation do not impact GLL's employer contribution.
- Government bond yields (on which the FRS102 discount factor calculations are based) prior to now have been at extremely low levels – this gave rise to high pension scheme deficits. In prior year reports, we commented that it seemed more likely that discount factors would eventually increase – which meant accounting deficits were more likely to shrink than increase. The results for 2022 confirmed the validity of this statement as the discount factor rose sharply and the accounting deficit turned into surplus.
- GLL does have joint and several liability under most LGPSs in which its employees are members – although we believe that the major employer (i.e. the local authority) provides an indemnity to third parties against the failure of other third party employers.

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022****28. EMPLOYEE BENEFIT OBLIGATIONS - continued**

In order to illustrate the differences between the valuation methods, GLL asked the actuaries to evaluate the position of the funds under both "FRS102" for the accounts and under the "ongoing basis" method and assumptions for DB schemes.

Pension Fund (£'000)	FRS102 as at 31/12/22	Ongoing Basis as at 31/12/22	Difference
GLL			
LPFA	7,325	6,213	(1,112)
CITRUS Pension Plan	312	209	(103)
Royal Borough of Greenwich LGPS	2,929	3,037	108
Wiltshire LGPS	3,350	6,053	2,703
Merton LGPS	173	132	(41)
Northamptonshire LGPS (Cambridge)	654	1,069	415
Copeland LGPS	1,354	612	(742)
South Lakes LGPS	425	(17)	(442)
Newcastle (Tyne & Wear) LGPS	166	766	600
Total	16,688	18,074	1,386

As can be seen by the valuations in the table above and with the rise in discount rate, the differences between valuation methods are negligible. In prior year reports, the differences were significant. Regardless of the fact that the valuations are more aligned this year, it does need to be understood when evaluating GLL's financial position.

29. CONTINGENT LIABILITIES

The Society has insurance cover relating to Performance and Pension Bonds as at 31 December 2022 of £5,186,000 (2021: £6,042,400).

Included in cash balances is a cash collateral deposit of £60,000 for the benefit of North Somerset Council. This is required under the terms of the service agreement to operate Churchill Leisure Centre and to facilitate the continuity of service in the event of the company ceasing to operate.

30. CALLED UP SHARE CAPITAL**Group and Society**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.22 £	31.12.21 £
1,895 (2021: 1,632)	Ordinary	£25	<u>47,375</u>	<u>40,800</u>

288 shares (2021: 209) of £25 each were allotted and fully paid for cash at par during the year. During the year 25 shares (2021: Nil shares) were forfeited and cancelled due to the members having left the Society. These shares are Full Membership and voting shares.

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.22 £	31.12.21 £
126 (2021: Nil)	Ordinary	£10	<u>1,260</u>	-

126 shares (2021: Nil) of £10 each were allotted and fully paid for cash at par during the year. During the year Nil shares (2021: Nil shares) were forfeited and cancelled. These shares are Associate and non-voting shares.

The Society maintains an up to date register of all members and their share holdings.

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 DECEMBER 2022**31. MOVEMENT IN FUNDS****Group**

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General funds	22,193,889	1,121,950	(32,959)	23,282,880
Pension liability	(55,465,000)	72,153,000	-	16,688,000
Share capital	40,800	7,835	-	48,635
Designated Fund – Copeland	191,726	-	-	191,726
Designated Fund – South Lakes	102,648	-	-	102,648
Designated fund – Finesse	218,787	(89,843)	45,000	173,944
	(32,717,150)	73,192,942	12,041	40,487,833
Restricted funds				
For the Girls, by the girls	-	-	-	-
I am Tower Hamlets	9,978	-	(9,978)	-
Lincolnshire Arts Council	-	-	-	-
Dementia Friendly Swimming	2,063	-	(2,063)	-
Swindon Zurich	58,025	(47,493)	-	10,532
Manchester Social Value Contribution	2,564	-	-	2,564
	72,630	(47,493)	(12,041)	13,096
TOTAL FUNDS	(32,644,520)	73,145,449	-	40,500,929

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General funds	306,018,629	(304,896,679)	-	1,121,950
Pension liability	-	(4,185,000)	76,338,000	72,153,000
Share capital	8,460	(625)	-	7,835
Designated fund - Finesse	-	(89,843)	-	(89,843)
	306,027,089	(309,172,147)	76,338,000	73,192,942
Restricted funds				
For the Girls, by the girls	-	-	-	-
Lincolnshire Arts Council	-	-	-	-
Swindon Zurich	22,242	(69,735)	-	(47,493)
Manchester Social Value Contribution	-	-	-	-
Coronavirus Job Retention Scheme grant	1,831,244	(1,831,244)	-	-
National Leisure Recovery Fund	2,901,081	(2,901,081)	-	-
	4,754,567	(4,802,060)	-	(47,493)
TOTAL FUNDS	310,781,656	(313,974,207)	76,338,000	73,145,449

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

31. MOVEMENT IN FUNDS - continued

Group - previous year

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General funds	19,871,993	2,366,896	(45,000)	22,193,889
Pension liability	(70,724,000)	15,259,000	-	(55,465,000)
Share capital	43,200	(2,400)	-	40,800
Designated Fund – Copeland	191,726	-	-	191,726
Designated Fund – South Lakes	102,648	-	-	102,648
Designated fund – Finesse	257,814	(84,027)	45,000	218,787
	<u>(50,256,619)</u>	<u>17,539,469</u>	<u>-</u>	<u>(32,717,150)</u>
Restricted funds				
For the Girls, by the girls	39,848	(39,848)	-	-
I am Tower Hamlets	9,978	-	-	9,978
Lincolnshire Arts Council	21,108	(21,108)	-	-
Dementia Friendly Swimming	2,063	-	-	2,063
Swindon Zurich	110,615	(52,590)	-	58,025
Manchester Social Value Contribution	-	2,564	-	2,564
	<u>183,612</u>	<u>(110,982)</u>	<u>-</u>	<u>72,630</u>
TOTAL FUNDS	<u>(50,073,007)</u>	<u>17,428,487</u>	<u>-</u>	<u>(32,644,520)</u>

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General funds	197,408,334	(195,041,438)	-	2,366,896
Pension liability	-	(3,903,000)	19,162,000	15,259,000
Share capital	5,225	(7,625)	-	(2,400)
Designated fund - Finesse	-	(84,027)	-	(84,027)
	<u>197,413,559</u>	<u>(199,036,090)</u>	<u>19,162,000</u>	<u>17,539,469</u>
Restricted funds				
For the Girls, by the girls	-	(39,848)	-	(39,848)
Lincolnshire Arts Council	-	(21,108)	-	(21,108)
Swindon Zurich	13,324	(65,914)	-	(52,590)
Manchester Social Value Contribution	5,477	(2,913)	-	2,564
Coronavirus Job Retention Scheme grant	26,966,377	(26,966,377)	-	-
National Leisure Recovery Fund	11,583,198	(11,583,198)	-	-
	<u>38,568,376</u>	<u>(38,679,358)</u>	<u>-</u>	<u>(110,982)</u>
TOTAL FUNDS	<u>235,981,935</u>	<u>(237,715,448)</u>	<u>19,162,000</u>	<u>17,428,487</u>

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

31. MOVEMENT IN FUNDS - continued

Society

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General funds	22,334,338	981,501	(32,959)	23,282,880
Pension liability	(55,465,000)	72,153,000	-	16,688,000
Share capital	40,800	7,835	-	48,635
Designated Fund – Copeland	191,726	-	-	191,726
Designated Fund – South Lakes	102,648	-	-	102,648
Designated Fund - Finesse	218,787	(89,843)	45,000	173,944
	(32,576,701)	73,052,493	12,041	40,487,833
Restricted funds				
For the Girls, by the girls	-	-	-	-
I am Tower Hamlets	9,978	-	(9,978)	-
Lincolnshire Arts Council	-	-	-	-
Dementia Friendly Swimming	2,063	-	(2,063)	-
Swindon Zurich	58,025	(47,493)	-	10,532
Manchester Social Value Contribution	2,564	-	-	2,564
	72,630	(47,493)	(12,041)	13,096
TOTAL FUNDS	(32,504,071)	73,005,000	-	40,500,929

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General funds	303,202,684	(302,221,183)	-	981,501
Pension liability	-	(4,185,000)	76,338,000	72,153,000
Share capital	8,460	(625)	-	7,835
Designated fund – Finesse	-	(89,843)	-	(89,843)
	303,211,144	(306,496,651)	76,338,000	73,052,493
Restricted funds				
For the Girls, by the girls	-	-	-	-
Lincolnshire Arts Council	-	-	-	-
Swindon Zurich	22,242	(69,735)	-	(47,493)
Manchester Social Value Contribution	-	-	-	-
Coronavirus Job Retention Scheme grant	1,831,244	(1,831,244)	-	-
National Leisure Recovery Fund	2,901,081	(2,901,081)	-	-
	4,754,567	(4,802,060)	-	(47,493)
TOTAL FUNDS	307,965,711	(311,298,711)	76,338,000	73,005,000

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

31. MOVEMENT IN FUNDS - continued

Society - previous year

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General funds	20,233,802	2,145,536	(45,000)	22,334,338
Pension liability	(68,810,000)	13,345,000	-	(55,465,000)
Share capital	43,200	(2,400)	-	40,800
Designated Fund – Copeland	191,726	-	-	191,726
Designated Fund – South Lakes	102,648	-	-	102,648
Designated Fund - Finesse	257,814	(84,027)	45,000	218,787
	(47,980,810)	15,404,109	-	(32,576,701)
Restricted funds				
For the Girls, by the girls	39,848	(39,848)	-	-
I am Tower Hamlets	9,978	-	-	9,978
Lincolnshire Arts Council	21,108	(21,108)	-	-
Dementia Friendly Swimming	2,063	-	-	2,063
Swindon Zurich	110,615	(52,590)	-	58,025
Manchester Social Value Contribution	-	2,564	-	2,564
	183,612	(110,982)	-	72,630
TOTAL FUNDS	(47,797,198)	15,293,127	-	(32,504,071)

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General funds	195,553,420	(193,407,884)	-	2,145,536
Pension liability	-	(3,903,000)	17,248,000	13,345,000
Share capital	5,225	(7,625)	-	(2,400)
Designated fund – Finesse	-	(84,027)	-	(84,027)
	195,558,645	(197,402,536)	17,248,000	15,404,109
Restricted funds				
For the Girls, by the girls	-	(39,848)	-	(39,848)
Lincolnshire Arts Council	-	(21,108)	-	(21,108)
Swindon Zurich	13,324	(65,914)	-	(52,590)
Manchester Social Value Contribution	5,477	(2,913)	-	2,564
Coronavirus Job Retention Scheme grant	26,268,127	(26,268,127)	-	-
National Leisure Recovery Fund	11,583,198	(11,583,198)	-	-
	37,870,126	(37,981,108)	-	(110,982)
TOTAL FUNDS	233,428,771	(235,383,644)	17,248,000	15,293,127

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

31. MOVEMENT IN FUNDS - continued

RESTRICTED FUND – FOR THE GIRLS, BY THE GIRLS

National Lottery funding was secured to support the 'for the Girls, by the Girls' project which aims to encourage inactive girls and women aged between 14 and 25 to take part in physical activity.

RESTRICTED FUND – ARTS COUNCIL

Funding has been received for a Roald Dahl exhibition at libraries run in Lincolnshire.

RESTRICTED FUND – I AM TOWER HAMLETS

Increased sport and physical activity participation of the following groups:

Inactive People

Women & Girls

Young People

Older People (50+ years)

People with disabilities

RESTRICTED FUND – SWINDON ZURICH

Funding received from Zurich Community Trust to provide community activities for the older generation who are often socially isolated, the funding covers staffing costs for these events.

RESTRICTED FUND – DEMENTIA FRIENDLY SWIMMING

Funding from Swim England to provide swimming sessions for dementia sufferers – funding covered staff costs and hire of facilities.

RESTRICTED FUND – MANCHESTER SOCIAL VALUE CONTRIBUTION

Funding from Manchester City Council provided to get more for the people of Manchester by buying the services and supplies that keep Manchester City ticking and growing. Social Value means extra value for Manchester residents. It means fairer work, health, wealth and happiness for every Manchester resident to enjoy.

RESTRICTED FUND – CORONAVIRUS JOB RETENTION SCHEME GRANT

Funding received from the UK Government to cover a proportion of the salaries of furloughed staff during the COVID-19 pandemic.

RESTRICTED FUND – NATIONAL LEISURE RECOVERY FUND

Funding received from the UK Government to support public sector leisure centres to reopen to the public during the COVID-19 pandemic.

DESIGNATED FUND – COPELAND

Includes a fund set up to meet future possible pension liabilities in connection with the Copeland Contract and a separate fund for maintenance responsibilities that will occur over the life of the contract.

DESIGNATED FUND – SOUTHLAKES

Includes a fund set up to meet future possible pension liabilities in connection with the South Lakes Contract and a separate fund for maintenance responsibilities that will occur over the life of the contract.

DESIGNATED FUND – FINESSE

COMMUNITY FUND

£260,000 of the net Assets transferred by WHLL to GLL on the Completion Date is held by GLL as a designated fund to be applied solely for charitable community purposes to support local initiatives in Welwyn Hatfield.

For a period of 11 years starting on and including the Completion Date, GLL shall transfer not less than £45,000 per annum into the Community Fund.

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 DECEMBER 2022**31. MOVEMENT IN FUNDS - continued****ANALYSIS OF NET ASSETS BETWEEN FUNDS****Group**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	42,666,126	-	42,666,126
Current assets	75,411,417	13,096	75,424,513
Current liabilities	(81,556,481)	-	(81,556,481)
Long term liabilities	(12,721,229)	-	(12,721,229)
Pension scheme liability	16,688,000	-	16,688,000
Total net assets	<u>40,487,833</u>	<u>13,096</u>	<u>40,500,929</u>

Society

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	42,666,126	-	42,666,126
Current assets	75,411,417	13,096	75,424,513
Current liabilities	(81,556,481)	-	(81,556,481)
Long term liabilities	(12,721,229)	-	(12,721,229)
Pension scheme liability	16,688,000	-	16,688,000
Total net assets	<u>40,487,833</u>	<u>13,096</u>	<u>40,500,929</u>

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022****31. MOVEMENT IN FUNDS - continued****ANALYSIS OF NET ASSETS BETWEEN FUNDS - previous year****Group**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	46,139,300	-	46,139,300
Current assets	65,505,889	72,630	65,578,519
Current liabilities	(67,536,565)	-	(67,536,565)
Long term liabilities	(21,360,774)	-	(21,360,774)
Pension scheme liability	(55,465,000)	-	(55,465,000)
Total net assets	<u>(32,717,150)</u>	<u>72,630</u>	<u>(32,644,520)</u>

Society

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	46,139,300	-	46,139,300
Current assets	65,646,253	72,630	65,718,883
Current liabilities	(67,536,480)	-	(67,536,480)
Long term liabilities	(21,360,774)	-	(21,360,774)
Pension scheme liability	(55,465,000)	-	(55,465,000)
Total net assets	<u>(32,576,701)</u>	<u>72,630</u>	<u>(32,504,071)</u>

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 DECEMBER 2022**32. RECONCILIATION OF MOVEMENTS IN FUNDS****Group**

	31.12.22	31.12.21
	£	£
Surplus/(Deficit) for the financial year	(3,200,386)	(1,731,113)
Other recognised gains and losses relating to the year (net)	76,338,000	19,162,000
Shares issued during the year	8,460	5,225
Shares cancelled during the year	(625)	(7,625)
Net addition to funds	73,145,449	17,428,487
Opening funds	(32,644,520)	(50,073,007)
Closing funds	40,500,929	(32,644,520)

Society

	31.12.22	31.12.21
	£	£
Surplus/(Deficit) for the financial year	(3,340,835)	(1,952,473)
Other recognised gains and losses relating to the year (net)	76,338,000	17,248,000
Shares issued during the year	8,460	5,225
Shares cancelled during the year	(625)	(7,625)
Net addition to funds	73,005,000	15,293,127
Opening funds	(32,504,071)	(47,797,198)
Closing funds	40,500,929	(32,504,071)

33. CAPITAL COMMITMENTS

	Group		Society	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Contracted for but not provided for in the financial statements	-	304,750	-	304,750

At 31 December 2022 there was no capital expenditure authorised by the committee of management (2021: £304,750).

34. ULTIMATE CONTROLLING PARTY

The Society is controlled by its members, none of whom have any controlling powers over the Society. The day to day running of the Society rests with its Committee of Management.

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

35. RELATED PARTY DISCLOSURES

Certain committee members held social bonds in the Society: Interest on these amounts were previously paid out annually on 31 October. There were no payments made during the year (2021: The following gross interest payments were made during the year, Mark Sesnan £750, Matt Perren £60, Alan Ritchie £60, Gareth Kirk £60)

Greenwich Leisure Limited has loaned Openplay Limited, a company in which Greenwich Leisure Limited is a shareholder, £1.5m. Interest of £21,154 was charged on the loan balance in the year (2021: £28,364). As at 31 December 2022, Openplay Limited owes £1,572,978 (2021: £1,551,823) to Greenwich Leisure Limited, on which interest is accruing at 5%. This amount is included within other debtors at the year end.

During the year Greenwich Leisure Limited loaned Basingstoke and District Sports Trust Limited, a company in which Greenwich Leisure Limited is a shareholder, £1,800,984 (2021: £Nil).

APPENDIX GREENWICH LEISURE LIMITED

**SOCIETY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	31.12.22 Unrestricted Funds	31.12.22 Restricted Funds	31.12.22 FRS 102 Adjustment Unrestricted	31.12.22 Total Funds	31.12.21 Total Funds excl FRS 102	31.12.21 Total Funds
	£	£	£	£	£	£
INCOME						
Donations and legacies	-	2,901,081	-	2,901,081	38,202,235	38,202,235
Income from charitable activities						
Operation of leisure, recreation sites and health activities	303,201,216	1,853,486	-	305,054,702	197,199,053	197,199,053
Income from other trading activities						
Investment income	221,204	-	-	221,204	55,653	55,653
Other income	<u>(219,736)</u>	<u>-</u>	<u>-</u>	<u>(219,736)</u>	<u>(2,033,395)</u>	<u>(2,033,395)</u>
Total income	303,202,684	4,754,567	-	307,957,251	233,423,546	233,423,546
EXPENDITURE ON						
Raising Funds						
Investment management costs	60,261	-	-	60,261	49,180	49,180
Charitable activities						
Operation of leisure, recreation sites and health activities	302,250,765	4,802,060	4,185,000	311,237,825	231,320,398	235,223,398
Other expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,441</u>	<u>103,441</u>
Total expenditure	302,311,026	4,802,060	4,185,000	311,298,086	231,473,019	235,376,019
Net income/(expenditure) for the year before other recognised gains and losses	891,658	(47,493)	(4,185,000)	(3,340,835)	1,950,527	(1,952,473)

APPENDIX GREENWICH LEISURE LIMITED

**SOCIETY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	31.12.22 Unrestricted Funds	31.12.22 Restricted Funds	31.12.22 FRS 102 Adjustment Unrestricted	31.12.22 Total Funds	31.12.21 Total Funds excl FRS 102	31.12.21 Total Funds
	£	£	£	£	£	£
Net income/(expenditure) for the year before other recognised gains and losses	891,658	(47,493)	(4,185,000)	(3,340,835)	1,950,527	(1,952,473)
Transfers between funds	12,041	(12,041)	-	-	-	-
Remeasurement gains/(losses) on defined benefit schemes	-	-	76,338,000	76,338,000	-	20,986,000
Net liabilities acquired on schemes	-	-	-	-	-	(3,738,000)
Net movement in funds	903,669	(59,534)	72,153,000	72,997,165	1,950,527	15,295,527
Shares issued	8,460	-	-	8,460	5,225	5,225
Shares cancelled	(625)	-	-	(625)	(7,625)	(7,625)
RECONCILIATION OF FUNDS						
Total funds brought forward	22,888,299	72,630	(55,465,000)	(32,504,071)	21,012,802	47,797,198
TOTAL FUNDS CARRIED FORWARD	23,799,833	13,096	16,688,000	40,500,929	22,960,929	(32,504,071)

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