

Charity Registration No. 1094247

Company Registration No. 04304674 (England and Wales)

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



**STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees

Mr M Atkinson
Mrs V Cottam MBE
Mr M Pomfret
Mr A Cawley
Mr J Pate
Mr B Lupton
Mrs C Lancaster (nee Nunn)
Mr G Batra (Appointed 29 January 2019)

Secretary

Mr P Vibrans

Charity number

1094247

Company number

04304674

Registered office

Life Leisure Houldsworth Village
Broadstone Road
Reddish
Stockport
Cheshire
SK5 7AT

Auditor

Booth Ainsworth Audit Services
Alpha House
4 Greek Street
Stockport
Cheshire
SK3 8AB

STOCKPORT SPORTS TRUST TRADING AS LIFE LEISURE CONTENTS

	Page
Trustees' report	1 - 8
Independent auditor's report	9 - 11
Group statement of financial activities	12
Group balance sheet	13
Company balance sheet	14
Group statement of cash flows	15
Notes to the accounts	16 - 43

STOCKPORT SPORTS TRUST TRADING AS LIFE LEISURE TRUSTEES' REPORT – STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report and accounts of the group for the year ended 31 March 2019. Stockport Sports Trust trades under the name of Life Leisure.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Companies Act 2006 and 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 2015).

OBJECTIVES AND ACTIVITIES

The Company's objects and principal activities, as contained in the Memorandum and Articles of Association, are:

- a) To provide or assist in the provision of facilities and services for recreation or other leisure time occupation primarily for the community and visitors to the Stockport Metropolitan Borough area in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty, ethnicity and/or social and economic circumstances may have need of special facilities and which will help to improve the quality of life for such persons by promoting their social, physical or mental wellbeing; and/or
- b) To provide or assist in the provision of facilities for physical education and development which will enable and encourage pupils and students of schools or establishments for the provision of further and higher education to play games and sports and thereby to assist in ensuring that due attention is given to the physical education and development of such pupils and students as well as the development and occupation of their minds and with a view to furthering this object to provide or assist in the provision for the use of such pupils or students of games and sports equipment of every kind, courses, lectures, demonstrations, coaching and playing fields or appropriate outdoor or indoor facilities for such education.
- c) The provision of facilities and services provided by the Trust as detailed in sections (a) and (b) of these Objects shall not be restricted to the Stockport Metropolitan Borough area and may be provided to other members of the public wheresoever situate whether within or without the United Kingdom who desire to and can conveniently make use of them.

In setting our objectives for the year and planning our activities, the Board has considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Trust relies on management fees and grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the Trust always endeavours to balance its financial sustainability with maximising accessibility to the inhabitants of the communities we serve, in particular individuals and families on low incomes.

PERFORMANCE AND ACHIEVEMENTS

OPERATIONS AND COMMUNITY IMPACT

Operationally 2018-19 saw a number of new sites, improvements to existing sites and new areas of delivery contributing to our overall performance and offering to local residents.

Barrow-in-Furness

In March 2018 Life Leisure was chosen as preferred supplier by Barrow-in-Furness Borough Council to take over the leisure provision in the borough. Barrow Park Leisure Centre opened its doors under the Life Leisure banner in August 2018. This is our first contract won outside the Stockport area and is a major step on our path to securing external growth opportunities with partners that are a good match for Life Leisure and share the same values.

The 15-year contract delivers significant savings to the local Council, by turning a substantial annual deficit into a surplus through growth and investment. Capital investment by Life Leisure in Year 1 has included a large gym refurbishment and brand new spin studio and functional gym. Opening hours have been extended significantly to facilitate increased access to the leisure centre, in particular the pool, for both members and the public. A Life Leisure Kids timetable has also been launched, with a large family-orientated class offering, and a programme of community activities starts to grow.

STOCKPORT SPORTS TRUST

TRADING AS LIFE LEISURE

TRUSTEES' REPORT – STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

Brinnington

This was the first full year of operations at the new Brinnington Park Leisure Complex, funded by our partner Stockport Metropolitan Borough Council (SMBC). This new centre is a place-based initiative, with delivery linked to an outcomes framework and activity plan, and a strong focus on community engagement.

We are hugely proud of the progress made in Year 1. We currently have a membership base of 600 individuals, with more than 95% of those members living in the Brinnington area. Our group exercise classes have been hugely popular, resulting in the number of classes more than doubling since opening. The success is based on our continued belief in investing in community engagement, ensuring local residents view the facility as an asset for the whole community rather than just a leisure centre.

The breadth and range of activities delivered at the site include the following sessions: counselling by the Self-Help Service, mental health awareness, smoking cessation, family weight management, chair-based exercise, holiday hunger programmes, walking football, COPD classes and much more.

Grand Central Pools

In June 2018 we opened a new Health Suite at Grand Central, followed in December 2018 by the re-opening of the pool slides after significant refurbishment. After a slow start regaining the trust of former regular customers, we are now starting to see the impact of having such a fantastic facility back in full operation. Since February there has been a consistent increase in usage, with the slides proving very popular with local children and families and making a strong contribution to the financial performance of the centre.

As the reputation of Grand Central Pools continues to grow and the Stockport Exchange area continues to develop, we are confident that member numbers and visitors will grow year on year. There is significant growth potential for this site.

Life Leisure Family Memberships

In 2017 we reviewed our offering to try and attract more families into our facilities. The membership was designed to engage families in physical activity, be cost effective and allow excellent accessibility across Stockport.

In Stockport the number of families accessing the Life Leisure family membership increased by 33% during the financial year and continues to grow. This is a true reflection on our focus of encouraging healthy lives in our community. We are extremely passionate about growing this figure by engaging more families in Stockport to exercise together.

Turning to Barrow, the same focus on family memberships has been applied here since the start of our contract mid-financial year with promising early results. The upgraded family membership offer has had significant uptake, with more families coming to our centre than ever before. We hope to be able to report a significant increase in community engagement in Barrow in our 2019-20 report.

Wider Community Engagement in Physical Activity

Life Leisure continues to have a positive impact working across our communities and has been able to secure a high level of external resource to fund delivery. During the year, we successfully applied to the BIG Lottery Fund's Reaching Communities fund and were awarded £494,738 to deliver a 3-year youth engagement programme with our partners Stockport MBC and Stockport Homes. This grant will allow us to increase provision in priority areas of the borough and gives young people a say in the how the project is shaped and delivered. Our Fit and Fed school holiday programme continues to provide families in disadvantaged communities with opportunities to access physical activity on their door step whilst also having access to a healthy meal. In addition our school sports programme continues to grow annually.

We are also leading on two nationally funded programmes at local level. The first is an Active Ageing programme which aims to reduce social isolation in older adults by signposting to physical activity opportunities. This is delivered in partnership with Stockport MBC and Age UK. Year 1 of the project has been hugely successful and we aim to grow this further during Year 2.

The second programme is the Greater Manchester local delivery pilot, funded by Sport England. This is one of 12 pilots across the UK which aims to achieve better understanding of our communities and how we can increase

STOCKPORT SPORTS TRUST

TRADING AS LIFE LEISURE

TRUSTEES' REPORT – STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

physical activity levels at scale. We are leading on this work in conjunction with partners to engage people who are out of work and those with long term health conditions.

Children's Swimming

A Swim England study provides evidence that taking part in swimming lessons can help children to develop physical, cognitive and social skills quicker than those who don't have regular activity. It also found evidence that regular swimming helps older people stay more mentally and physically fit, increasing life expectancy. In light of this, we pride ourselves on our extensive swimming offer for all ages, abilities and aspirations. The unique properties of water mean that no one is restricted from taking part in exercise within our pools whatever their mobility or goal. In Stockport over 6,000 people remain engaged in structured swimming activity per week. In addition, 94% of Stockport LEA primary schools take part in our school lesson programme, comprising over 3,000 children per week. With a 79% National Curriculum pass rate for Key Stage 2 primary leavers, we rank top of all North-West providers. Our swimming scheme remains an example of good practice nationally.

Teaching children to swim is a life skill we are passionate about. As a community provider, we can't be there at the seaside or hotel pool to keep youngsters safe, but we *can* do our bit to make sure they know how to swim and stay safe around water. In support of RLSS Drowning prevention week we offered a '5 lessons for £5' holiday course in Stockport for non-swimmers under the age of 11. The offer was inclusive but we targeted areas of deprivation and 300 children signed up within a week. We are proud to help keep children safe regardless of background.

During 2018-19 Barrow Park has been a valuable addition to our 5 swimming facilities in Stockport. With a 6 lane 25m main pool, small pool with children's leisure area, wave technology and slides, Barrow Park looks set to become one of our key areas for growth and a thriving facility for the local community in Barrow-in-Furness.

Using Physical Activity to Improve Health Conditions

Our long-standing Specialist Physical Activity Service, also known as PARiS, continues to grow in Stockport as more health professionals are recognising the virtues of physical activity in chronic disease management. This year 2,470 referrals have been received with 1,684 people with long term conditions accessing the 6-month service. This represents a 31% growth compared to the previous year and exceeds local targets by 20%, supporting Stockport in remaining one of the most physically active boroughs in Greater Manchester.

In addition the falls prevention team has seen an increase in referrals to the service and have supported 140 older adults in improving their balance, posture and strength to reduce the risk of a fall. The service has also been piloting an innovative prehab4cancer programme which is now set to be rolled out across the whole of Greater Manchester.

Barrow has been working alongside the British Heart Foundation in training our staff to deliver simple blood pressure checks within the community to proactively seek and find some of the 5.5million people who may have unknown hypertension. Steps have already been taken to initiate new activities for those who may not automatically look to access facility - based activities, with two members of the team trained to deliver health walks in the community as well as regular chair-based exercise classes to ensure older adults remain as mobile and independent as possible.

We remain fully committed to working with a range of partners to provide high quality solutions for those overcoming medical and socio-economic barriers to become more physically active.

Developing Sporting Excellence

During the year under review we continued to support Stockport Metro Swimming Club in running the performance swimming programme in Stockport. Coaches and swimmers continued to deliver inspirational results. We placed a girl on the Synchronised Swimming England Age Group team. The performance programme delivered again with two swimmers qualifying for the World Championships (including a Jamaican National Record), and one swimmer qualifying for each of the World Para Championships, World Student Games and the Olympic Youth Festival. 18 swimmers won British medals and 60 swimmers were in the top 10 in Britain for their event. Through our collaboration Stockport Metro Swimming Club remains the top performing programme in the County, Region and Britain outside of University programmes. The season culminated in September 2019 with a Para World Record and Gold medal.

STOCKPORT SPORTS TRUST

TRADING AS LIFE LEISURE

TRUSTEES' REPORT – STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

We also promote a variety of training and development programmes for those considering a career in sport. This includes an aquatic volunteer scheme, which provides workforce development opportunities for teenagers who have progressed throughout the scheme. Many of these go on to become swim teachers, coaches, lifeguards and managers. In addition we run coaching programmes, fitness courses and provide support to local amateur sports clubs, thereby increasing the pool of individuals who can sustain sporting development across the country.

AWARDS AND ACCREDITATIONS

It has been another busy and successful year for Life Leisure. Our pursuit of excellence has resulted in nominations for many local business and national industry awards during the year. Our notable wins this year were:

- 2018 UKActive Uprising Awards (June 2018) – National Leisure Centre/Health Club of the Year – Stockport Sports Village
- 2018 UKActive Training Awards (November 2018) – Outstanding Individual of the Year – Ruth Lynch (Life Leisure)
- 2018 UKActive Training Awards (November 2018) – Transformational Leadership Award – Life Leisure (RTB Programme)

Since the year-end we have won 3 additional awards:

- 2019 Street Games Awards (July 2019) - Coach of the Year - Sasha Moore
- 2019 UKActive Uprising Awards (June 2019) - Transformational Leadership Award - Life Leisure
- 2019 Community Leisure Awards (previously SPORTA) (May 2019) - Best Workforce Development - Life Leisure (RTB Programme)

We are particularly proud that during 2018-19 our Sport Development team was officially designated Outstanding by Quest. Quest is an independently accredited, industry recognised tool which encourages continuous improvement, designed primarily for the benchmarking of leisure facilities and leisure-related activity. Quest defines industry standards and good practice. This Outstanding score puts the Sports Development team in the Top 10% in the UK.

CORPORATE ACQUISITION

In July 2018 Life Leisure acquired a 100% shareholding in Woodley Sports Centre Limited. The company acquired owns the leisure facility known as Stockport Sports Village, which Life Leisure has been operating since 2012 under a 25-year lease.

The purchase of Woodley Sports Centre Limited, now a wholly-owned subsidiary of Life Leisure, was part-financed through bank borrowings. This acquisition is advantageous in that rental payments under the lease are effectively converted into a more cost-effective loan. With the facility under the ownership of the Life Leisure group, this allows us to take long-term decisions in relation to its development.

The group accounts therefore include the 12-month financial performance of Life Leisure, the parent company, and 9 months of financial performance relating to the wholly-owned subsidiary, Woodley Sports Centre Limited.

FINANCIAL REVIEW

A summary of the year's results for the group can be found on the Statement of Financial Activities on page 12 of the accounts. On 2nd July 2018 Life Leisure acquired a 100% shareholding in Woodley Sports Centre Limited. The company acquired owns the leisure facility known as Stockport Sports Village, which Life Leisure has been operating since 2012 under a 25-year lease.

The group accounts therefore include the 12-month financial performance of Life Leisure, the parent company, and 9 months of financial performance relating to the wholly-owned subsidiary, Woodley Sports Centre Limited.

STOCKPORT SPORTS TRUST

TRADING AS LIFE LEISURE

TRUSTEES' REPORT – STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

In the year to 31 March 2019 total income of the group (including grants and management fees) amounted to £12,365,436 compared to £11,708,246 in the previous year. Total resources expended amounted to £12,088,780 (2018: £11,662,636) which resulted in a group net operational surplus for the year before transfers of £276,656 (2018: £45,610).

This surplus is after charging additional actuarial pension costs (including interest) amounting to £222,000 (2018: £238,000). This surplus is further analysed into a surplus of £313,364 on unrestricted activities (normal operations: leisure centre management, sports development activity and non-group operations of the subsidiary company) and a deficit of £36,708 on restricted/designated funds (specific project delivery from ring-fenced funds).

£11,475 of transfers have been made from the unrestricted surplus to fund deficits incurred by the Club Development Fund. In addition to this £370,000 has been transferred from designated funds to unrestricted funds. This reflects the release of the sinking fund set aside for the replacement of football pitches at Stockport Sports Village. The sinking fund was released as a result of works having been carried out during the year.

After transfers between funds the net incoming resources on unrestricted funds amounted £671,889 and net outgoing resources on designated and restricted funds totalled £395,233.

During the year the group invested £8.6m in tangible fixed assets. £8m of this relates to the land and buildings at Stockport Sports Village owned by the subsidiary company purchased in July 2018. In addition the parent company invested £0.6m in other facilities, including £0.3m at Barrow Park Leisure Centre on new fitness equipment for the newly refurbished gym and spin studio.

PRINCIPAL FUNDING SOURCES

Aside from the Trust's operational turnover of £10.8m (2018: £10.1m) the principal funding source for the charity is an annual management fee from Stockport Metropolitan Borough Council (SMBC) amounting to £0.6m (2018: £0.88m), a management fee of £0.1m from Barrow Borough Council for the first 8 months of operation and further grants and management fees totalling £0.8m (2018: £0.69m).

PLANS FOR THE FUTURE

In addition to our continuing objective to maximise opportunities and participation in physical activity in the communities we serve, our key priority for 2019-20 continues to be the maximisation of growth within the existing business by focusing on customer retention and an enhanced offering, as well as looking for external growth opportunities with partners that are a good match for Life Leisure and share the same values.

In Stockport the next tranche of capital funding being made available by SMBC will bring significant improvements. A number of leisure facilities will benefit over the next 12-18 months, encompassing repairs to the external fabric of buildings and car parks as well as the refurbishment of a number of changing rooms. We are working alongside SMBC and their chosen contractors to prioritise, design and shape these long-awaited improvements so that the people of Stockport can receive maximum benefit from this investment. We are also mindful of the broader financial pressures faced across the entire public sector in current times and continue to work closely with our existing partner, SMBC, to identify opportunities to deliver best impact for the people of Stockport within available resources.

Our new 15-year partnership with Barrow Borough Council is an exciting one, demonstrating in the first year of operations a greatly increased footfall at Barrow Park Leisure Centre and a new community offering for the borough. Further significant investment at Barrow is planned for the next 12 months, as we enter Stage 2 of our capital plan for the leisure centre, which will increase revenue and visitors and add to the total offering that Life Leisure can bring to the population of Barrow.

At the time of writing we are also engaged in conversation in relation to opportunities to take the Life Leisure model and approach to new local Councils to expand further the number of communities we serve and enhance lives through improved levels of physical activity.

STOCKPORT SPORTS TRUST TRADING AS LIFE LEISURE TRUSTEES' REPORT – GOVERNANCE

FOR THE YEAR ENDED 31 MARCH 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Stockport Sports Trust (trading as Life Leisure) is a charitable company limited by guarantee, incorporated on 15 October 2001 and registered as a charity in 2002. The Company was established under a Memorandum of Association which established the objects and the powers of the charitable company and it is governed by its Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year or were appointed after the year end:

Mr M Atkinson	Chair, Remuneration and Nominations Committee
Mrs V Cottam MBE	Chair, Risk Committee
Mr M Pomfret	
Mr A Cawley	
Mr J Pate	Chair, Audit Committee
Mr B Lupton	
Mrs C Lancaster (nee Nunn)	
Mr G Batra (appointed 29 January 2019)	Chairman of the Board of Trustees

The directors currently meet every two months as a formal Board of Directors. There are also three sub-committees of the Board, which look at Audit, Risk and Remuneration and Nominations. These committees also meet on a regular basis and are supported by the Executive Management Team.

None of the trustees has any beneficial interest in the company. All trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Executive Management Team at Life Leisure has day-to-day responsibility for the operations of the organisation and is currently made up of three individuals, comprising the Group Chief Executive Officer (CEO), Group Finance Director and Group Operations Director. The team attends bi-monthly Board meetings and presents reports to the Board in respect of company performance and strategic issues.

RECRUITMENT AND APPOINTMENT OF DIRECTORS

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members and/or the Board of Directors. Under the requirements of the memorandum and Articles of Association the members of the Board of Directors are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

The Remuneration and Nominations committee is responsible for looking at the composition of the Board and ensuring the Board as a whole has the right combination of skills and also sufficient local affiliation with the communities in which we operate.

All new directors take part in an induction meeting with the Company Secretary and are given the opportunity to tour the leisure facilities with senior staff. Directors are also given access to company information and key documents to help bring them up to speed with the organisation and its people.

RELATED PARTIES AND KEY PARTNERS

We work in partnership with Stockport Metropolitan Borough Council (SMBC) and Barrow Borough Council (BBC) to deliver outcomes identified in each borough. There are quarterly strategic meetings between the CEO of the Trust and the Corporate Director for Place at SMBC to discuss issues of common interest. In addition there are monthly meetings between the Group Finance Director and Group Operations Director at Life Leisure and key personnel at SMBC responsible for leisure, finance and estates management.

STOCKPORT SPORTS TRUST

TRADING AS LIFE LEISURE

TRUSTEES' REPORT – GOVERNANCE (continued)

FOR THE YEAR ENDED 31 MARCH 2019

The 15-year contract with Barrow Borough Council, which commenced in August 2018, has just completed a successful first year. The Partnership Board, comprising senior managers at Life Leisure and Councillors and Council Officers at Barrow has met to review finances, investment and outcomes in Year 1 and agree plans for Year 2.

We also operate closely with secondary and primary education providing the swimming instruction to all but a handful of Stockport's many primary schools and operating the sports and leisure facilities on the site of a number of secondary schools, making these available for extensive community use.

As there is a natural affinity between leisure and health and well-being the charity works with the Public Health department of SMBC to deliver a number of joint interest schemes.

RISK MANAGEMENT

The trustees have developed processes to identify, evaluate and manage risk as part of the bi-monthly Trustee board meetings. A Risk sub-committee has been set up by the Board to review the risk register. The trustees confirm that the major risks to which the Charity is exposed have been identified and systems have been established to mitigate those risks. The risk identification process has been developed together with the Charity's reserve policy.

RESERVES POLICY

The directors have established the need for the charity to create a general reserve to deal with future eventualities with regard to the following:

1. Implications of FRS 102 reporting.
2. To provide the option to enable the company to carry an excess on its liability insurances in order to attract more competitive quotations.
3. To provide for uninsured losses against the Trust, including industrial tribunal awards and associated costs.
4. To contribute to lost income not covered by the funding agreement, to accommodate closure of facilities for development.
5. Loss of income due to competition / trend changes / grant and management fee reductions.
6. Replacement and / or renovation of landlord or owned equipment, fixtures and fittings within the Trust.

Net increases in unrestricted revenue funds will be appropriated to the general reserve. It is the objective of the Board to maintain a minimum reserve of £400,000 to meet the above requirements (before the pension scheme liability). The reserves of the charity are reviewed annually.

INVESTMENT POLICY

The Trust formally reviews all material investment proposals. This takes into account surplus funds available for investment in specific projects in the coming year.

Projects identified include investment in: existing Life Leisure facilities; community projects and Public Health initiatives; new facilities / contracts; our people, through the nurturing of existing talent and the development of an internal brand of preferred behaviours (RTB programme).

STOCKPORT SPORTS TRUST TRADING AS LIFE LEISURE TRUSTEES' REPORT – GOVERNANCE (continued)

FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of Stockport Sports Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

CLOSING COMMENT

The 2018-19 financial year was one of significant progression for Life Leisure, with new investment, a new contract in Barrow and the widest social impact that the organisation has delivered to our communities.

The Trustees wish to thank the Executive Management Team and all our colleagues who continue to work with dedication towards enhancing lives through improved levels of physical activity.

It is with great sadness that the trustees report the tragic loss of one of our esteemed colleagues, Martin Harriman. As Operations Director Martin played a key role in the business since the day the trust was formed. His sudden and untimely passing in May 2019 has touched everyone in the organisation and he is sorely missed.

On behalf of the Board of Trustees


Gaurav Batra
Chairman of the Board of Trustees
Dated: 17 December 2019

**STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF STOCKPORT SPORTS TRUST**

Opinion

We have audited the financial statements of Stockport Sports Trust (the "parent company") and its subsidiary (the "group") for the period ended 31 March 2019 which comprise the group statement of financial activities, the group balance sheet, the group statement of cash flows, the company statement of cash flows 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 Financial Reporting Standard 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 parent charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF STOCKPORT SPORTS TRUST**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

**STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF STOCKPORT SPORTS TRUST**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Ward (Senior Statutory Auditor)
for and on behalf of Booth Ainsworth Audit Services

19/12/19

**Accountants
Statutory Auditor**

Alpha House
4 Greek Street
Stockport
Cheshire
SK3 8AB

*Booth Ainsworth
Audit Services*

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
GROUP STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted funds	Designated funds	Restricted funds	Total	Total
		2019	2019	2019	2019	As restated 2018
	Notes	£	£	£	£	£
<u>Income and endowments from:</u>						
Charitable activities	3	10,772,177	-	424,756	11,196,933	10,840,682
Other trading activities	4	274,540	-	-	274,540	378,006
Investment income	5	5,177	-	-	5,177	10,538
Other income	6	888,786	-	-	888,786	479,020
Total income		11,940,680	-	424,756	12,365,436	11,708,246
<u>Expenditure on:</u>						
Raising funds	7	113,614	-	-	113,614	123,773
Charitable activities (including actuarial pension costs)	8	11,394,914	6,541	454,923	11,856,378	11,792,008
Release of accrual		-	-	-	-	(250,000)
Deferred taxation movement		21,418	-	-	21,418	-
Other expenditure	12	97,370	-	-	97,370	(3,145)
Total resources expended		11,627,316	6,541	454,923	12,088,780	11,662,636
Net incoming/(outgoing) resources before transfers		313,364	(6,541)	(30,167)	276,656	45,610
Gross transfers between funds		358,525	(370,000)	11,475	-	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		671,889	(376,541)	(18,692)	276,656	45,610
<u>Other recognised gains and losses</u>						
Actuarial (loss)/gain on defined benefit pension schemes		(791,000)	-	-	(791,000)	371,000
Net movement in funds		(119,111)	(376,541)	(18,692)	(514,344)	416,610
Fund balances at 1 April 2018		866,990	377,900	125,365	1,370,255	953,645
Fund balances at 31 March 2019		747,879	1,359	106,673	855,911	1,370,255

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

All income and expenditure derive from continuing activities.


The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
GROUP BALANCE SHEET**

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	13	296,637		-	
Tangible assets	14	9,091,952		1,038,821	
		<u>9,388,589</u>		<u>1,038,821</u>	
Current assets					
Stocks	18	24,174		31,268	
Debtors	19	913,670		849,946	
Cash at bank and in hand		1,598,136		3,559,743	
		<u>2,535,980</u>		<u>4,440,957</u>	
Creditors: amounts falling due within one year	21	(3,046,729)		(2,459,740)	
Net current (liabilities)/assets		<u>(510,749)</u>		<u>1,981,217</u>	
Total assets less current liabilities		<u>8,877,840</u>		<u>3,020,038</u>	
Creditors: amounts falling due after more than one year	22	(5,049,007)		-	
Provisions for liabilities	23	(2,972,922)		(1,649,783)	
Net assets		<u>855,911</u>		<u>1,370,255</u>	
Income funds					
Restricted funds	27	106,673		125,365	
Designated funds	28	1,359		377,900	
General unrestricted funds		747,879		866,990	
		<u>855,911</u>		<u>1,370,255</u>	

The financial statements were approved by the board of directors and authorised for issue on 17 December 2019 and are signed on its behalf by:


Mr G. Batra
Trustee

**STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
COMPANY BALANCE SHEET**

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	15	1,090,328		1,038,821	
Investments	16	3,380,199			-
		<u>4,470,527</u>		<u>1,038,821</u>	
Current assets					
Stocks	18	24,174		31,268	
Debtors	19	4,981,270		849,946	
Cash at bank and in hand		1,269,153		3,559,743	
		<u>6,274,597</u>		<u>4,440,957</u>	
Creditors: amounts falling due within one year	21	(2,955,956)		(2,459,740)	
Net current assets		<u>3,318,641</u>		<u>1,981,217</u>	
Total assets less current liabilities		<u>7,789,168</u>		<u>3,020,038</u>	
Creditors: amounts falling due after more than one year	22	(4,483,053)			-
Provisions for liabilities	23	(2,702,771)		(1,649,783)	
Net assets		<u>603,344</u>		<u>1,370,255</u>	
Income funds					
Restricted funds	27	106,673		125,365	
Designated funds	28	1,359		377,900	
General unrestricted funds		495,312		866,990	
		<u>603,344</u>		<u>1,370,255</u>	

As permitted by s408 Companies Act 2006, the charity has not presented its own statement of financial activities and related notes. The charity's surplus for the year was £24,089 (2018 - surplus - £45,610).

The financial statements were approved by the board of directors and authorised for issue on 17 December 2019 and are signed on its behalf by:


Mr G Batra
Trustee

Company Registration No. 04304674

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	33	1,560,098	183,877
Investing activities			
Purchase of tangible fixed assets		(984,110)	(110,444)
Proceeds on disposal of tangible fixed assets		3,475	3,145
Purchase of subsidiaries		(3,380,199)	-
Bank balance acquired on acquisition		113,526	-
Interest received		5,177	10,538
Net cash used in investing activities		(4,242,131)	(96,761)
Financing activities			
Repayment of borrowings		(4,456,862)	-
Proceeds of new bank loans		5,302,500	-
Bank loan interest paid		(125,212)	-
Payment of obligations under finance leases		-	(7,754)
Net cash generated from/(used in) financing activities		720,426	(7,754)
Net (decrease)/increase in cash and cash equivalents		(1,961,607)	79,362
Cash and cash equivalents at beginning of year		3,559,743	3,480,381
Cash and cash equivalents at end of year		1,598,136	3,559,743

STOCKPORT SPORTS TRUST

TRADING AS LIFE LEISURE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Stockport Sports Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is: Life Leisure Houldsworth Village, Broadstone Road, Reddish, Stockport, Cheshire, SK5 7AT.

The group consists of Stockport Sport Trust and its subsidiary.

1.1 Accounting convention

The accounts have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Stockport Sports Trust and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Although the accounts of the group at the balance sheet date show a small net current liability of £510,749, included in creditors due within one year is £974,047 of deferred income which is not a cash item and will convert into income after the balance sheet date.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes.

1.5 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants and management fees are included in incoming resources when receivable. Grants and management fees for specific purposes are credited to individual restricted funds; all other grants and management fees are credited to unrestricted funds.

Investment income is recognised when receivable. Incidental non-charitable trading income is recognised when earned.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.6 Resources expended

Resources expended are included in the statement of financial activities on an accruals basis.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories in the Statement of Financial Activities (SOFA) on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly whilst others are apportioned on an appropriate basis.

Irrecoverable VAT is calculated quarterly and included in charitable activities expenditure. An annual adjustment in accordance with VAT legislation is calculated and included in the last VAT return of the year.

1.7 Intangible fixed assets - goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Financial Activities over its useful economic life which is considered to be 10 years.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Buildings	over 30 years on a straight line basis
Football pitches/tennis courts	over 15 years on a straight line basis
Building improvements	over 5 - 10 years on a straight line basis
Fixtures, fittings & equipment	over 3 - 5 years on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Land and buildings are revalued at each year-end by qualified valuers using recent comparable market transactions on an arm's length basis.

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.10 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.14 Taxation

The deferred taxation provision has arisen from the revalued property in the subsidiary acquired during the year.

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.15 Provisions

Provisions are recognised when the Charity has a legal or constructive present obligation as a result of a past event, it is probable that the Charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period it arises.

1.16 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Defined benefit scheme - Greater Manchester Pension Fund

The trust operates a pension scheme providing benefits currently based on career average revalued earnings. Life Leisure closed entry to new members of staff in 2012. The scheme is a local government pension scheme and is administered by Tameside Metropolitan Borough Council in accordance with the Local Government Pension Scheme Regulations 1997, as amended. It was contracted out of the State Second Pension until 31 March 2016. The assets of the scheme are held separately from those of the trust, being invested in a combination of Equities, Bonds, Properties and cash. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using the yield available on long-dated, high quality corporate bonds (measured as the yield on Iboxx Sterling Corporates Index, AA over 15 years). Pension scheme assets are valued at market value at the balance sheet date. The pension scheme liability is recognised in full on the Balance Sheet and the surplus/deficit is recognised each year in the Statement Of Financial Activities.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Defined benefit scheme – Cumbria Pension Fund

Following on from the 15-year leisure operating contract with Barrow Borough Council effective August 2018 the trust has been admitted to the Cumbria Pension Fund. This is a local government pension scheme for Barrow staff who were transferred across to the trust at the start of the new contract in accordance with TUPE regulations.

The contract with Barrow Borough Council stipulates that there is a cap and collar on employer's pension contributions throughout the life of the contract and that any potential exit contribution payable by the trust at the end of the contract will be borne by Barrow Borough Council.

Employer's contributions are charged in the accounts in the period to which they relate.

Defined contribution scheme

The charity set up a defined contribution pension scheme in 2014 through The People's Pension. This is a money purchase scheme. The employer's contributions are charged in the accounts in the period to which they relate in accordance with the rules of the scheme.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.19 Deferred income

Rental income received is deferred so as to be accounted for correctly over the period of the lease term.

Income from grants and contributions are deferred and released to the profit and loss account over the period of the relevant agreement, or in line with the life of the asset which the income was used to fund.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

2 Critical accounting estimates and judgements

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

Actuarial Assumptions

Stockport Sports Trust has obligations to pay pension benefits to certain employees who are members of a Local Government Pension Scheme. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the balance sheet. These assumptions reflect historical experience and current trends.

Assessing indicators of impairment of consideration for investment in subsidiary

In assessing whether there have been any indicators of impairment in the value of the consideration of the investment in the subsidiary, the directors have considered both external and internal sources of information. There have been no indicators of impairments identified during the current financial year.

Valuation of land and buildings

Land and buildings are valued annually at fair value with reference to comparable transactional market evidence on arm's length terms.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

3 Charitable activities

	Grants and management fees	Swimming	Sport and recreation	Health and fitness	Total 2019	Total 2018
	£	£	£	£	£	£
Sales within charitable activities	-	2,876,758	1,144,479	5,613,106	9,634,343	9,271,731
Performance related grants and management fees	1,562,590	-	-	-	1,562,590	1,568,951
	<u>1,562,590</u>	<u>2,876,758</u>	<u>1,144,479</u>	<u>5,613,106</u>	<u>11,196,933</u>	<u>10,840,682</u>
Analysis by fund						
Unrestricted funds	1,191,118	2,876,758	1,115,451	5,588,850	10,772,177	
Restricted funds	371,472	-	29,028	24,256	424,756	
	<u>1,562,590</u>	<u>2,876,758</u>	<u>1,144,479</u>	<u>5,613,106</u>	<u>11,196,933</u>	
For the year ended 31 March 2018						
Unrestricted funds	1,210,944	2,900,581	1,101,337	5,220,681		10,433,543
Restricted funds	358,007	-	26,576	22,556		407,139
	<u>1,568,951</u>	<u>2,900,581</u>	<u>1,127,913</u>	<u>5,243,237</u>		<u>10,840,682</u>

4 Other trading activities

	2019 £	2018 £
Non-charitable trading activities	<u>274,540</u>	<u>378,006</u>

5 Investment income

	2019 £	2018 £
Interest receivable	<u>5,177</u>	<u>10,538</u>

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

6 Other income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Rental income	452,517	-	452,517	482,480
Loss of income claim	374,910	-	374,910	-
Other	61,359	-	61,359	(3,460)
	<u>888,786</u>	<u>-</u>	<u>888,786</u>	<u>479,020</u>
For the year ended 31 March 2018	<u>477,002</u>	<u>2,018</u>		<u>479,020</u>

7 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Trading costs				
Other trading activities	113,614	-	113,614	123,773
	<u>113,614</u>	<u>-</u>	<u>113,614</u>	<u>123,773</u>

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

8 Charitable activities (including actuarial pension costs)

	2019	2018
	£	£
		As restated
Staff costs (including NI and pension)	5,938,108	5,366,457
Additional actuarial pension cost including interest	222,000	238,000
Depreciation and amortisation	479,186	434,226
Leasing rentals	21,818	53,963
Bad debts	23,646	(7,464)
Premises (including rent, rates, utilities, repairs and maintenance)	2,193,073	2,446,339
Operational supplies and services	579,555	769,708
Establishment	132,121	139,042
Transport	112,067	107,062
Other staff costs	121,467	104,029
Miscellaneous	11,927	47,337
Freelancers	235,625	237,342
Transaction charges	105,501	103,237
Unrecovered VAT	257,081	464,379
Bank loan interest	125,212	-
Insurance	179,823	177,591
Advertising and marketing	176,708	202,176
	<u>10,914,918</u>	<u>10,883,424</u>
Share of support costs (see note 9)	916,445	881,040
Share of governance costs (see note 9)	25,015	27,544
	<u>11,856,378</u>	<u>11,792,008</u>
Analysis by fund		
Unrestricted funds	11,394,914	
Designated funds	6,541	
Restricted funds	454,923	
	<u>11,856,378</u>	
For the year ended 31 March 2018		
Unrestricted funds		11,270,255
Designated funds		12,100
Restricted funds		509,653
		<u>11,792,008</u>

The comparatives have been reapportioned based on the current year apportionments and to include pension service costs previously included as part of the recognised gains and losses.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

9 Support costs

	Support costs	Governance costs	Total 2019	Total 2018
	£	£	£	£
Staff costs (including NI and pension)	375,928	-	375,928	349,682
Premises, general office and finance	194,582	-	194,582	203,192
Supplies and services	39,498	-	39,498	38,142
Professional and consultancy fees	203,790	-	203,790	181,191
Unrecovered VAT	52,168	-	52,168	62,426
Establishment	20,425	-	20,425	16,907
Other staff costs	30,054	-	30,054	29,500
Audit fees	-	10,750	10,750	9,500
Other governance costs	-	14,265	14,265	18,044
	<u>916,445</u>	<u>25,015</u>	<u>941,460</u>	<u>908,584</u>
Analysed between				
Charitable activities	<u>916,445</u>	<u>25,015</u>	<u>941,460</u>	<u>908,584</u>

The comparatives have been reapportioned based on the current year apportionments.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

11 Employees

Number of contracted employees

The average monthly number of contracted employees during the year calculated on the basis of full time equivalents was:

	2019	2018
	Number	Number
Charitable	207	199
Management and administration	26	26
	<u>233</u>	<u>225</u>

Employment costs

	2019	2018
	£	£
Wages and salaries	5,674,705	5,157,702
Social security costs	366,152	353,202
Other pension costs	273,179	205,235
	<u>6,314,036</u>	<u>5,716,139</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2019	2018
	Number	Number
£60,000 - £69,999	1	2
£70,000 - £79,999	1	1
£80,000 - £89,999	1	-
£150,000 - £159,999	1	1

12 Other expenditure

	2019	2018
	£	£
Net (profit)/loss on disposal of tangible fixed assets	93,014	(3,145)
Impairment loss	4,356	-
	<u>97,370</u>	<u>(3,145)</u>

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

13 Intangible fixed assets

Group	Goodwill
	£
Cost	
Additions - business combinations	320,689
At 31 March 2019	320,689
Amortisation and impairment	
Amortisation charged for the year	24,052
At 31 March 2019	24,052
Carrying amount	
At 31 March 2019	296,637

The charity had no intangible fixed assets at 31 March 2019.

14 Tangible fixed assets

Group	Buildings	Football pitches/tennis courts	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2018	-	1,108,443	2,229,109	3,337,552
Additions	404,356	160,358	419,396	984,110
Business combinations	7,600,000	-	25,000	7,625,000
Disposals	-	(75,755)	(156,061)	(231,816)
Revaluation	(4,356)	-	-	(4,356)
At 31 March 2019	8,000,000	1,193,046	2,517,444	11,710,490
Depreciation and impairment				
At 1 April 2018	-	890,748	1,407,983	2,298,731
Depreciation charged in the year	-	62,276	392,858	455,134
Eliminated in respect of disposals	-	(30,159)	(105,168)	(135,327)
At 31 March 2019	-	922,865	1,695,673	2,618,538
Carrying amount				
At 31 March 2019	8,000,000	270,181	821,771	9,091,952
At 31 March 2018	-	217,695	821,126	1,038,821

The buildings were valued at fair value as at 31 March 2019 by Chad J Davies BSc (Hons) MRICS, RICS Registered Valuer of Lambert Smith Hampton derived using recent comparable market transactions on arm's length terms.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

15 Tangible fixed assets
Company

	Football pitches/tennis courts	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2018	1,108,443	2,229,109	3,337,552
Additions	160,358	417,396	577,754
Disposals	(75,755)	(131,061)	(206,816)
At 31 March 2019	1,193,046	2,515,444	3,708,490
Depreciation and impairment			
At 1 April 2018	890,748	1,407,983	2,298,731
Depreciation charged in the year	62,276	391,981	454,257
Eliminated in respect of disposals	(30,159)	(104,667)	(134,826)
At 31 March 2019	922,865	1,695,297	2,618,162
Carrying amount			
At 31 March 2019	270,181	820,147	1,090,328
At 31 March 2018	217,695	821,126	1,038,821

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Fixed asset investments

	Group 2019 £	Company 2019 £
Investments in subsidiaries	-	3,380,199

Subsidiaries:

Details of the company's subsidiary at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of Business	Class of shares held	% Held direct
Woodley Sports Centre Limited	Life Leisure Houldsworth Village Broadstone Road Reddish Stockport SK5 7AT	Investment property rental	Ordinary	100

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

17 Financial instruments

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	580,161	4,647,762	458,721	458,721
Carrying amount of financial liabilities				
Measured at amortised cost	5,434,887	5,434,887	601,914	601,914

Debts measured at amortised costs

Included within the company debts measured at amortised cost are trade debtors, amounts owed to group undertakings, other debtors.

Included within the group debts measured at amortised cost are trade debtors, other debtors.

Carrying amount of financial liabilities

Included within both group and company carrying amount of financial liabilities are trade creditors, other creditors and bank loans.

18 Stocks

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Finished goods and goods for resale	24,174	24,174	31,268	31,268

19 Debtors

Amounts falling due within one year:	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Trade debtors	510,505	510,505	178,206	178,206
Amounts owed by group undertakings	-	4,133,981	-	-
Other debtors	69,656	3,275	280,515	280,515
Prepayments and accrued income	333,509	333,509	391,225	391,225
	913,670	4,981,270	849,946	849,946

The amounts owed by group undertakings are unsecured, repayable on demand and bear interest at 4% over base rate.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

20	Loans and overdrafts	Group & Company 2019 £	Group & Company 2018 £
	Bank loans	4,960,355	-
	Payable within one year	477,302	-
	Payable after one year	4,483,053	-
	Amounts included above which fall due after five years:		
	Payable by instalments	2,459,441	-

Bank loans comprise a £1m fixed loan at an interest rate of 4.04% and a variable loan at an interest rate of 2.3% above base rate. Both loans were taken out during the year to part-finance the corporate acquisition of Woodley Sports Centre Limited. The loans are repayable over 10 years and are secured by fixed and floating charges over the assets of Stockport Sports Trust (trading as Life Leisure) and Woodley Sports Centre Limited.

21	Creditors: amounts falling due within one year	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
	Loans and overdrafts	477,302	477,302	-	-
	Other taxation and social security	153,228	91,339	25,376	25,376
	Deferred income	974,047	949,414	880,692	880,692
	Trade creditors	392,112	392,112	572,117	572,117
	Other creditors	82,420	82,420	29,797	29,797
	Accruals	967,620	963,369	951,758	951,758
		3,046,729	2,955,956	2,459,740	2,459,740

22	Creditors: amounts falling due after more than one year	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
	Loans and overdrafts	4,483,053	4,483,053	-	-
	Other taxation and social security	188,298	-	-	-
	Accruals and deferred income	377,656	-	-	-
		5,049,007	4,483,053	-	-

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

23	Provisions for liabilities	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
	Insurance provision	165,771	165,771	125,783	125,783
	Deferred tax liabilities	270,151	-	-	-
	Retirement benefit obligations	2,537,000	2,537,000	1,524,000	1,524,000
		<u>2,972,922</u>	<u>2,702,771</u>	<u>1,649,783</u>	<u>1,649,783</u>

The insurance provision represents the maximum policy excess that is potentially payable to the insurer under the company's public liability policy. This liability relates to the remaining excess from a number of previous financial years where the value of claims received remains under the maximum excess limit. This provision will decrease as claims are made within the statutory period allowed.

The deferred tax provision is in relation to the land and buildings acquired by the group during the year. The tax provision would crystallise in the event of a gain made on the sale of those assets.

The provision for retirement benefits relates to the deficit arising in the defined benefit pension scheme as measured by Hymans Robertson, the scheme actuary, at the balance sheet date. The scheme is revalued every year and will vary according to changes in the assumptions used and movements in scheme membership. See Note 25 for further detail. This scheme has been closed to new entrants since 2012.

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Insurance provision £
At 1 April 2018	125,783
Additional provision in the year	50,000
Utilisation of provision	(10,012)
At 31 March 2019	<u>165,771</u>

Deferred taxation

Deferred tax assets and liabilities are offset where the Charity has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Fair value	270,151	-
	<u>270,151</u>	<u>-</u>

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

24 Deferred taxation

	2019 £
Movements in the year:	
On acquisition	248,733
Charge to statement of financial activities	21,418
	<u>270,151</u>
Liability at 31 March 2019	<u>270,151</u>

25 Deferred income

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Other deferred income	<u>1,351,703</u>	<u>949,414</u>	<u>880,692</u>	<u>880,692</u>

Deferred income is included in the financial statements as follows:

	Group 2019 £	Company 2019 £
Current liabilities	974,047	949,414
Non-current liabilities	<u>377,656</u>	<u>-</u>
	<u>1,351,703</u>	<u>949,414</u>

Included in the group amounts above are balances which fall due after five years payable other than by instalments of £279,125.

26 Retirement benefit schemes

Defined contribution scheme

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

Defined benefit scheme - Cumbria Pension Fund

The charge to the Statement of Financial Affairs in respect of the contributions paid to the Cumbria Pension Fund during the year was £40,646. This was paid over in full after the year end as the company was awaiting finalisation of entry to the scheme.

Defined benefit schemes - Greater Manchester Pension Fund

The following note relates to the Greater Manchester Pension Fund defined benefit scheme.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

26 Retirement benefit schemes

(Continued)

Key assumptions

	2019	2018
	%	%
Discount rate	2.4	2.7
Expected rate of increase of pensions in payment	2.5	2.4
Expected rate of salary increases	2.5	2.4

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2019	2018
	Years	Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.7	23.7
- Females	26.2	26.2

Amounts recognised in the statement of financial activities:

	2019	2018
	£	£
Current service cost	370,000	374,000
Net interest on defined benefit liability/(asset)	43,000	46,000
	413,000	420,000
Employer contributions paid in year	(191,000)	(182,000)
Additional actuarial pension costs	222,000	238,000

	2019	2018
	£	£
Actual return on scheme assets	(977,000)	(387,000)
Less: calculated interest element	355,000	331,000
Return on scheme assets excluding interest income	(622,000)	(56,000)
Actuarial changes related to obligations	1,413,000	(315,000)
Total costs/(income)	791,000	(371,000)

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

26 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the Charity's obligations in respect of defined benefit plans are as follows:

	2019	2018
	£	£
Present value of defined benefit obligations	16,671,000	14,650,000
Fair value of plan assets	(14,134,000)	(13,126,000)
Deficit in scheme	<u>2,537,000</u>	<u>1,524,000</u>

Movements in the present value of defined benefit obligations:

	2019	2018
	£	£
Liabilities at 1 April 2018	14,650,000	14,396,000
Current service cost	370,000	374,000
Benefits paid	(222,000)	(234,000)
Contributions from scheme members	62,000	52,000
Actuarial gains and losses	1,413,000	(315,000)
Interest cost	398,000	377,000
At 31 March 2019	<u>16,671,000</u>	<u>14,650,000</u>

The defined benefit obligations arise from plans funded as follows:

	2019	2019
	£	£
Wholly unfunded obligations	-	-
Wholly or partly funded obligations	16,671,000	14,650,000
	<u>16,671,000</u>	<u>14,650,000</u>

Movements in the fair value of plan assets:

	2019	2018
	£	£
Fair value of assets at 1 April 2018	13,126,000	12,739,000
Interest income	355,000	331,000
Return on plan assets (excluding amounts included in net interest)	622,000	56,000
Benefits paid	(222,000)	(234,000)
Contributions by the employer	191,000	182,000
Contributions by scheme members	62,000	52,000
At 31 March 2019	<u>14,134,000</u>	<u>13,126,000</u>

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

26 Retirement benefit schemes

(Continued)

The fair value of plan assets at the reporting period end was as follows:

	2019	2018
	£	£
Equity instruments	9,752,460	8,663,160
Debt instruments	2,120,100	2,100,160
Property	1,130,720	918,820
Cash	1,130,720	1,443,860
	<u>14,134,000</u>	<u>13,126,000</u>

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

27 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants and management fees held on trust for specific purposes:

	Movement in funds			
	Balance at 1 April 2018	Net Incoming resources	Resources expended	Transfers
	£	£	£	£
Wellcome Trust	166	6,750	(6,916)	-
Club Development Fund	-	-	(11,475)	11,475
SMILE	5,120	21,785	(15,776)	-
Stockport Metro Swimming Club	-	40,000	(40,000)	-
SPA	(1,494)	200,396	(216,701)	-
Fit and Fed	-	2,451	(2,451)	-
Children in Need	-	9,983	(7,928)	-
Satellite Clubs	-	16,934	(16,524)	-
Reaching Communities	-	19,453	(19,453)	-
I Wish I'd Tried	-	22,756	(22,758)	-
Earmarked Funding Accounts	79,327	-	(20,062)	-
Adult Inactivity	42,246	84,248	(74,879)	-
	<u>125,365</u>	<u>424,756</u>	<u>(454,923)</u>	<u>11,475</u>
				<u>106,673</u>

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

27 Restricted funds

(Continued)

The Wellcome Trust funded a small engagement project to gain insight and knowledge as to people's attitudes in relation to exercising with a long-term medical condition. This was delivered in partnership with Chester University and participants who had been referred to the PARiS scheme or Stockport's Tier 3 Weight Management programme.

Club Development Fund: Life Leisure provides funding opportunities for local amateur sports clubs and associations to upskill volunteers and sports coaches to enhance the quality of provision in the local community.

SMILE (Simple Movements Improve Life Everyday) is a low impact and gentle exercise concept that offers a consistent activity and an effective preventative tool to increase levels of physical activity in older adults. The project aims to help create positive habits for older adults, to tackle social isolation and loneliness in the local community by not only providing physical activity to improve physical health, but to deliver provision which is social, fun and beneficial for helping to improve the health and emotional well-being of older adults.

Stockport Metro Swimming Club pays Life Leisure an annual contribution towards the staffing costs of the performance coaching team.

SPA represents the Specialist Physical Activity service for Stockport. Initially a 4-year contract starting from October 2016, SPA is the umbrella name for 3 smaller sub services which are made up of the following:

Stay Steady: six-month postural stability programme to reduce the risk of falls in older adults.

Cardiac Rehabilitation Phase 4: supporting those who have had a recent coronary event and have completed phase 3 cardiac rehabilitation, encouraging participants to maintain a more healthy and active lifestyle under the guidance of BACPR qualified instructors.

PARiS: six-month health professional exercise referral programme to support those who are inactive and have chronic health conditions, to increase their physical activity levels to better manage their symptoms.

Fit and Fed: The project was funded through Awards for All for one year (but crossed 2 financial years). It focuses delivery in Stockport's priority 1 & 2 areas and provides children with a nutritious lunch in addition to fun, engaging activities in a safe environment. Evidence shows that children (and families) who receive free school meals are often hungry during school holiday periods.

Children in Need funding continues the good work from the Fit & Fed project and has expanded delivery across the borough. The funding from Children in Need allows us to provide activities in every school holiday period for the next 3 years.

Satellite Clubs is a Sport England funded initiative aimed at 14 – 19 year olds. The project provides local sport and physical activity clubs which are designed around the needs of the young people and creates enjoyable experiences that promote an active and healthy lifestyle. Life Leisure manages the programme in Stockport working with sports clubs and local delivery partners as well as being the main point of contact for the County Sports Partnership.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

27 Restricted funds

(Continued)

Reaching Communities is a 3-year funded project via the BIG Lottery Fund. "R Time" is a youth engagement project which is delivered across the borough but focuses on priority areas, aiming to reduce instances of anti-social behaviour in our communities by 10% each year. The project has been co-produced with partner organisations, with Life Leisure as the lead applicant, and fills a gap created by funding cuts at local and national level. A special projects element of the funding is designed to allow local groups and organisations to apply for money that will enable them to engage with hard to reach young people.

I Wish I'd Tried (IWIT) engages previously inactive adults (25+) in welcoming, sociable and engaging sport and physical activity opportunities across Stockport. It is responsible for improving lives and developing hubs of activities for hard to reach individuals and aims to reduce health inequalities, increase social interaction and increase engagement with less motivated people. The 4-year stand-alone IWIT project finished in June 2018.

Earmarked Funding accounts represent monies received from Stockport MBC in respect of capital projects financed through NNDR funding. The last tranche of funding was received in 2011-12.

Adult Inactivity covers a range of physical activity projects including SMILE and Active Ageing programmes, as well as the continuation of the sustainable I Wish I'd Tried sessions. Each programme aims to tackle inactivity in innovative ways and further develop as a preventative tool to reduce sedentary behaviours in the community.

28 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018	Resources expended	Transfers	Balance at 31 March 2019
	£	£	£	£
Quality Assurance	7,900	(6,541)	-	1,359
SSV Sinking Fund	370,000	-	(370,000)	-
	<u>377,900</u>	<u>(6,541)</u>	<u>(370,000)</u>	<u>1,359</u>

SSV Sinking Fund was set aside for the replacement of football pitches at Stockport Sports Village. This was released upon completion of the works carried out in the year.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

29 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2019 are represented by:				
Intangible fixed assets	296,637	-	-	296,637
Tangible assets	9,032,688	-	59,264	9,091,952
Current assets/(liabilities)	(559,517)	1,359	47,409	(510,749)
Creditors of more than one year	(5,049,007)	-	-	(5,049,007)
Provisions	(2,972,922)	-	-	(2,972,922)
	<u>747,879</u>	<u>1,359</u>	<u>106,673</u>	<u>855,911</u>

30 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Within one year	4,799	4,799	40,153	40,153
Between two and five years	178,697	178,697	218,903	218,903
In over five years	4,532,654	9,940,574	10,620,739	10,620,739
	<u>4,716,150</u>	<u>10,124,070</u>	<u>10,879,795</u>	<u>10,879,795</u>

31 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	<u>414,998</u>	<u>413,802</u>

Transactions with related parties

During the year Stockport Metro Swimming Club paid Life Leisure £40,000 (2018 - £40,000) for use of their facilities. Mr J Pate is an officer in both entities.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

32 Acquisitions

	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	25,000	-	25,000
Investment property	7,600,000	-	7,600,000
Trade and other receivables	336,316	-	336,316
Cash and cash equivalents	113,526	-	113,526
Borrowings	(4,114,717)	-	(4,114,717)
Trade and other payables	(622,726)	-	(622,726)
Tax liabilities	(29,156)	(248,733)	(277,889)
Total identifiable net assets	3,308,243	(248,733)	3,059,510
Goodwill			320,689
Total consideration			3,380,199
The consideration was satisfied by:			£
Cash			3,380,199
			3,380,199

33 Cash generated from operations

	2019 £	2018 £
Surplus for the year	276,656	45,610
Adjustments for:		
Investment income recognised in statement of financial activities	(5,177)	(10,538)
Additional actuarial pension cost including interest	222,000	238,000
Finance cost	125,212	-
Movement on insurance provision	39,988	30,000
Movement on deferred tax provision	21,418	-
Loss/(gain) on disposal of tangible fixed assets	93,014	(3,145)
Revaluation of tangible fixed assets	4,356	-
Amortisation and impairment of intangible assets	24,052	-
Depreciation and impairment of tangible fixed assets	455,134	434,226
Movements in working capital:		
Decrease in stocks	7,094	4,408
Decrease/(increase) in debtors	272,591	(250,313)
Increase/(decrease) in creditors	23,760	(304,371)
Cash generated from operations	1,560,098	183,877