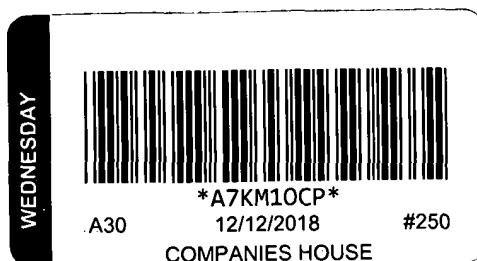


Charity Registration No. 1094247

Company Registration No. 04304674 (England and Wales)

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**



# **STOCKPORT SPORTS TRUST**

## **TRADING AS LIFE LEISURE**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

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**Trustees**

Mr M Atkinson  
Mrs V Cottam MBE  
Mr M J Pomfret  
Mr A R Cawley  
Mr J Pate (Appointed 30 May 2017)  
Mr B J Lupton (Appointed 25 July 2017)  
Ms C A Nunn (Appointed 25 July 2017)

**Secretary**

Mr P C Vibrans

**Charity number**

1094247

**Company number**

04304674

**Registered office**

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

**Auditor**

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

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# **STOCKPORT SPORTS TRUST**

## **TRADING AS LIFE LEISURE**

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# **STOCKPORT SPORTS TRUST TRADING AS LIFE LEISURE CHAIR'S REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

In recent years Life Leisure has demonstrated a strong commercial and operational pedigree. Indeed, we currently hold 2 of the most prestigious UKActive awards. Houldsworth Village has been awarded The Best Medium Sized Leisure Centre in the UK and Stockport Sports Village has recently been awarded The Best Health and Fitness Facility in the UK.

The story doesn't stop there as we recently purchased Stockport Sports Village from its previous owners. This purchase significantly improves our operational profitability and adds an £8+ million asset to our balance sheet. It will stand as a strong legacy for Life Leisure in Stockport for years to come.

Both Houldsworth Village and Stockport Sports Village facilities operate at a surplus, are situated in Super Output Areas or border them and they do not cost the tax payer one penny. A phenomenal achievement! Recently Life Leisure has been recognized by UKActive as its Employer of the Year through our innovative approach to culture change driven by our PB=PB programme.

Outside of our Olympic medal winning years this was the most successful season for the swimming performance programme since its conception. Living up to our heritage as one of the most successful programmes in UK history for producing Major Games medallists, 2017-18 was another World Class season.

Honorary RTB Sentinel Holly Hibbott is yet another swimmer to break through our High-Performance development programme, winning a Silver and Bronze at the Commonwealth Games, plus raising the bar to win a European Bronze and our first ever European Championship Gold at the end of the season. Holly currently ranks amongst the top ten in the world and has quickly moved into the World's elite and has her sights firmly set on the Olympic Games in Tokyo 2020.

Domestically our swimmers remain dominant at County and Regional level and were 2<sup>nd</sup> overall at the British Championships, equal top of the Gold medal tally and produced medals at every distance in the swimming programme showing great strength in depth and we continue to provide an environment where aspiring youngsters can progress from grass roots to the world stage in any event.

When I visit our Head Office I am reminded of our true purpose. Our Vision and Mission is proudly displayed on a 10-foot by 4-foot board. This is our Vision:

**We are Life Leisure**

**We live for fitness**

**We live for sport**

**We live for improving the lives of people around us.**

So how does this translate to real life action?

We continue to support the individuals in our communities that most need it, delivering an industry-leading dynamic community support programme. The initiatives and projects delivered by the team link localized insight and priorities with the national agenda. Ensuring our work has an impact on local outcomes as well as providing the ability to illustrate our impact upon Regional and National priorities.

An excellent example of this work in action is our developing Fit and Fed programme. The evidence around the impact of holiday hunger within our communities is too comprehensive to ignore. For children to spend days without having a nutritious meal is an unacceptable situation. With the unmanageable strain on foodbanks the system needs to change. Over the past few years we have been supporting various pilots, exploring the most effective ways of working with partners to find the best delivery mechanism. To work towards system change Life Leisure has been at the forefront of the growing movement, helping support the Department for Education (DfE) to stand up and acknowledge their responsibility. The end of the financial year 2017/18 culminated in the successful acquisition of a

# STOCKPORT SPORTS TRUST TRADING AS LIFE LEISURE CHAIR'S REPORT

**FOR THE YEAR ENDED 31 MARCH 2018**

£30k Children in Need grant. This funding will be used alongside support from DfE and other stakeholders to continue to deliver Fit and Fed programmes working towards comprehensive system change.

Further evidence of our insight-based approach to addressing the needs of the community comes through our dynamic adult inactivity projects. Evidence clearly indicates that people are living much longer. However, the more pertinent piece of evidence is that in our priority communities the time individuals spend in ill health is also extending. One of the key contributors to this situation is high levels of inactivity in our priority areas. Following on from our hugely successful I Wish I'd Tried programme we have developed two new adult inactivity concepts. The Active Ageing project is designed to support older individuals who have been through a life change, such as the bereavement of a spouse. Evidence tells us that this time is key to prevent older adults becoming socially isolated and that engaging in an active lifestyle can support both their physical and mental wellbeing. During 2017/18 Life Leisure secured funding (£65k per year) to develop this concept. The second initiative is the SMILE (Simple Movements Improving Life Everyday) project. Developed with evidence from the I Wish I'd Tried project SMILE provides fun, low impact activity sessions for individuals with low mobility and at risk of falling. Again, the social element of this initiative is key to ensuring we reduce the impact of social isolation within the community. During 2017/18 we secured £10k from Comic Relief as well as Public Health funding of £12k to embed the project in the community and within care homes across the borough, delivering around 15 sessions per week in various settings.

Engaging young people from disadvantaged communities has long been both a strength and a priority for Life Leisure and this year has been no different. Working with national partners like StreetGames and local stakeholders such as Stockport Homes and the Youth Offending Service, we have a comprehensive menu of opportunity for individuals who otherwise would not have the opportunity to engage in sport and physical activity. Through the strength of the partnership approach we have been able to secure resources from a variety of sources including The Police Crime Commissioner, Tesco and Comic Relief. Recognition for all this hard work came at the end of 2017/18 with our Park Lives project winning National project of the year at the StreetGames annual awards.

While recognizing the need to take special action for some of Stockport's communities to encourage more active lifestyles, Life Leisure remains committed to providing opportunities and encouragement for everyone to participate in a more active, more healthy lifestyle.

Finally, I would like to take the opportunity to thank all our magnificent team at Life Leisure. Our employees who just keep getting things done despite the challenges that they face. They never seem to know when to quit! This in no small measure is a result of the excellent leadership team and the culture they have created within Life Leisure. Thanks also to my colleagues on the Board who give up their precious time to provide support, direction and governance, and last but not least the huge number of tireless volunteers without whose efforts and continued support a lot of what we have achieved would not be possible.

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

**FOR THE YEAR ENDED 31 MARCH 2018**

The trustees present their report and accounts for the year ended 31 March 2018. Stockport Sports Trust currently 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 trustees give careful consideration to the accessibility of the Trust's sports facilities to the inhabitants of the communities we serve, in particular individuals and families on low incomes.

## **Achievements and performance**

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:

- o ukactive Flame Awards: Leisure Centre of the Year (Streamline) 2017 - Houldsworth Village [Stockport Sports Village achieved 3<sup>rd</sup> place]
- o ukactive Training Awards: Employer of the Year 2017 [medium-sized]
- o ukactive Training Awards: Outstanding Individual of the Year 2017 - Senior Health & Fitness Coach at Grand Central
- o National Fitness Awards: Regional Gym of the Year (North) 2017 - Houldsworth Village

Since the year-end Stockport Sports Village has also won the Active Uprising (formerly ukactive) Club/Centre of the Year award. This is an outstanding achievement to be recognised as both regional and national winner of this coveted award, alongside tough competition from the likes of SERCO and GLL.

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

**FOR THE YEAR ENDED 31 MARCH 2018**

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In March 2018 we saw the long-awaited opening of a new replacement leisure facility at Brinnington, 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.

Our swimming teaching and coaching programme continues to thrive financially and developmentally. Collectively the 2017-18 financial target was surpassed. The most notable financial growth came from the coaching programme which has more than doubled in income over the last 6 years. The local community benefits from an inclusive programme that offers recreational activities for all ages and abilities and a performance pathway for children from grass roots to the world stage. We are also proud to provide workforce development opportunities for those members we retain into their teenage years and adulthood.

We continue to engage 6,000 swimmers per week, plus 89 primary schools with an additional 3,000 children per week. We remain committed to supporting children with reaching their national curriculum safety standards by the end of key stage 2. Our national curriculum results rank within the top 10% in the country.

Our swimming performance programme has had one of the most successful years outside of our 3 Olympic medal winning years since its conception in 1974. We were champions at County and Regional Championships and 2<sup>nd</sup> at the British Championships, together with Holly Hibbott winning an individual Commonwealth Bronze and European Championship Gold and Bronze.

The positive impact Life Leisure's Sport Development team has on the community continues to excel, ensuring we are positioned as an industry leader. This year the team has again secured a high level of external resource to support new and innovative projects and initiatives, ensuring the team contributes to health and wellbeing in its broadest sense. Projects such as the StreetGames funded Fit and Fed provides families in disadvantaged communities with physical activity opportunities and healthy meals during the school holidays. This is a hugely difficult time for families who access free school meals during term time, putting a considerable amount of strain on household finances. Police Crime Commissioner funding supported the delivery of the Park Lives project that went on to win the StreetGames project of the year, and Public Health funding is supporting the development of a new adult inactivity project.

The Sport Development team continues to support members of the community that are most in need. Our Specialist Physical Activity Service has vastly increased its reach and impact through innovative postural stability programmes and diversification of its referral pathways. The team has a profound effect on the lives of individuals that engage in our services, ensuring Life Leisure has contributed to Stockport being the most active borough in Greater Manchester with the lowest levels of inactivity. National data reveals that there has been significant progress over the last few years, and colleagues throughout the Local Authority recognise the part our successful delivery has had in this development.

## **Financial review**

A summary of the year's results can be found on the Statement of Financial Activities on page 11 of the accounts.

In the year to 31 March 2018 total income (including grants and management fees) amounted to £11,708,246 compared to £11,548,312 in the previous year. Total resources expended amounted to £11,674,636 (2017: £11,463,724) which resulted in a net operational surplus for the year of £33,610 (2016: £84,588). This surplus is further analysed into a surplus of £146,654 on unrestricted activities (normal operations: leisure centre management and sports development activity) and a deficit of £113,044 on restricted/designated funds (grants and management fees for specific delivery).

In addition to this an accrual for £250,000 was considered to be no longer required and was released at the year-end, thereby increasing the surplus for the year from £33,610 to £283,610. This £250,000 credit was then transferred to designated funds (see Note 23). A further £88,924 of transfers have been made from the unrestricted surplus mainly to fund deficits incurred by running the community coaches programme.

After transfers between funds the net incoming resources amounted £57,730 on unrestricted funds and £225,880 on designated and restricted funds.

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

**FOR THE YEAR ENDED 31 MARCH 2018**

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## **Principal funding sources**

Aside from the Trust's operational turnover of £10.1m (2017: £9.9m) the principal funding source for the charity is an annual management fee from Stockport Metropolitan Borough Council (SMBC) amounting to £0.88m (2016: £0.98m) along with further grants and management fees totalling £0.69m (2017: £0.69m).

## **Plans for the future**

The next tranche of capital funding made available by SMBC is bringing £3m of improvements to the infrastructure and plant of the leisure estate in Stockport. We are working alongside SMBC and their chosen contractor to prioritise and shape these long-awaited improvements so that the people of Stockport can receive maximum benefit from this investment.

Our key priority for 2018-19 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.

We continue to work alongside our existing partner, SMBC, to identify opportunities to reduce the annual management fee through a combination of new income streams and an ongoing review of costs.

Since the year-end we have completed the purchase of Woodley Sports Centre Limited, the company that owns Stockport Sports Village, one of our key leisure facilities in the Stockport area. As owner of this football, tennis and fitness facility the Life Leisure group can now maximise the potential from this site and shape its offering for the future.



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

**FOR THE YEAR ENDED 31 MARCH 2018**

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## **Structure, governance and management**

Stockport Sports Trust 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	
Mrs V Cottam MBE	
Mr M Pomfret	
Mr A R Cawley	(Appointed 28 March 2017)
Mr P T Ferry	(Appointed 28 March 2017, Resigned 23 January 2018)
Mr J Pate	(Appointed 30 May 2017)
Mr B J Lupton	(Appointed 25 July 2017)
Ms C A Nunn	(Appointed 25 July 2017)
Mr S H McCombe	(Resigned 18 December 2017)
Mr G Lawrence	(Resigned 29 November 2017)

## **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 more traditional business and professional skills are well represented on the Board of Directors. In an effort to maintain this broad mix of skills, a register of skills and qualification is maintained. In the event of skills being lost due to retirements, individuals are sought to fill any skills gaps through a combination of public advertisement and personal recommendation.

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

## **Induction and training of Trustees**

The organisation is essentially one local to Stockport providing management of community sport and leisure centres. All directors have close links with the Stockport area and many of them are users of the facilities. They have a grasp, therefore, of the service requirements and a feel for the ethos of the Stockport Sports Trust management approach. It is, indeed, a positive benefit to the role of directors that they are also customers.

All new directors are given access to company information including Memorandum and Articles of Association, the Funding Agreement with SMBC and Partnership Delivery Plan, annual reports and accounts, minutes of recent Board meetings, reports to Board from the executive management team and up-to-date management accounts.

The directors currently meet every two months as a formal Board of Directors. There is also a finance sub-group in place which meets on a regular basis and operates alongside the executive management team.

## **Organisational structure**

The number of directors shall be not less than three but, unless otherwise determined by ordinary resolution, shall not be subject to any maximum. The executive management team is made up of 5 individuals, comprising the Chief Executive Officer (CEO), Finance Director, two Operations Directors and the Head of HR & Organisational Development. The team attends every bi-monthly Board meeting and presents reports to the Board in respect of strategic issues.

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

**FOR THE YEAR ENDED 31 MARCH 2018**

Day to day responsibility rests with the CEO who is supported by the rest of the executive management team as well as the senior business managers, who have direct roles for the smooth running of each of our 12 leisure facilities as well as the activities of our sports development and health and well-being teams.

## **Related parties**

We work in partnership with Stockport Metropolitan Borough Council (SMBC). 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 Finance Director and Operations Director at the Trust and the Head of Culture and Leisure.

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. 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 policy of the charity is reviewed annually.

## **Investment policy**

The Trust has a formal investment policy in place. This identifies 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; and our people, through the nurturing of existing talent and the development of an internal brand of preferred behaviours.

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

**FOR THE YEAR ENDED 31 MARCH 2018**

## **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.

## **Auditors**

A resolution proposing that Booth Ainsworth LLP be reappointed as auditors of the company will be put to the members.

On behalf of the Board of Trustees



Mr M Atkinson

Trustee

Dated: 30/10/18

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

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**Opinion**

We have audited the financial statements of Stockport Sports Trust (the 'Charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 charitable company's affairs as at 31 March 2018 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 accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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 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 Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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**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 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**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 directors 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 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.

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.

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

---

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

30/11/18

Chartered Accountants  
Statutory Auditor

Alpha House  
4 Greek Street  
Stockport  
Cheshire  
SK3 8AB

Booth Ainsworth LLP

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b><u>Income and endowments from:</u></b>						
Charitable activities	3	10,433,543	-	407,139	10,840,682	10,848,720
Other trading activities	4	378,006	-	-	378,006	276,202
Investment income	5	10,538	-	-	10,538	19,863
Other income	6	477,002	-	2,018	479,020	403,527
<b>Total income and endowments</b>		<b>11,299,089</b>	<b>-</b>	<b>409,157</b>	<b>11,708,246</b>	<b>11,548,312</b>
<b><u>Expenditure on:</u></b>						
Raising funds	7	123,325	-	448	123,773	97,159
Charitable activities	8	11,032,255	12,100	509,653	11,554,008	11,416,195
Other expenditure	12	(3,145)	-	-	(3,145)	(49,630)
<b>Total resources expended</b>		<b>11,152,435</b>	<b>12,100</b>	<b>510,101</b>	<b>11,674,636</b>	<b>11,463,724</b>
Release of accrual	13	(250,000)	-	-	(250,000)	-
<b>Net incoming/(outgoing) resources before transfers</b>		<b>396,654</b>	<b>(12,100)</b>	<b>(100,944)</b>	<b>283,610</b>	<b>84,588</b>
Gross transfers between funds		(338,924)	250,000	88,924	-	-
<b>Net income/(expenditure) for the year/ Net incoming/(outgoing) resources</b>		<b>57,730</b>	<b>237,900</b>	<b>(12,020)</b>	<b>283,610</b>	<b>84,588</b>
<b>Other recognised gains and losses</b>						
Actuarial gain/(loss)		133,000	-	-	133,000	(1,018,000)
<b>Net movement in funds</b>		<b>190,730</b>	<b>237,900</b>	<b>(12,020)</b>	<b>416,610</b>	<b>(933,412)</b>
Fund balances at 1 April 2017		676,260	140,000	137,385	953,645	1,887,057
<b>Fund balances at 31 March 2018</b>		<b>866,990</b>	<b>377,900</b>	<b>125,365</b>	<b>1,370,255</b>	<b>953,645</b>

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**  
**BALANCE SHEET**

**AS AT 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	14		1,038,821		1,362,603
<b>Current assets</b>					
Stocks	16	31,268		35,676	
Debtors	17	849,946		599,633	
Cash at bank and in hand		3,559,743		3,480,381	
		4,440,957		4,115,690	
<b>Creditors: amounts falling due within one year</b>	18	(2,459,740)		(2,771,865)	
<b>Net current assets</b>			1,981,217		1,343,825
<b>Total assets less current liabilities</b>			3,020,038		2,706,428
<b>Provisions for liabilities</b>	19		(1,649,783)		(1,752,783)
<b>Net assets</b>			1,370,255		953,645
<b>Income funds</b>					
Restricted funds	22		125,365		137,385
Designated funds			377,900		140,000
<b>Unrestricted funds</b>					
Designated funds	23	377,900		-	
General unrestricted funds		489,090		676,260	
			866,990		676,260
			1,370,255		953,645

The financial statements were approved by the board of directors and authorised for issue on 30/10/18 and are signed on its behalf by:



Mr M. Atkinson  
Trustee

Company Registration No. 04304674



**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27		183,877		856,974
<b>Investing activities</b>					
Purchase of tangible fixed assets		(110,444)		(542,846)	
Proceeds on disposal of tangible fixed assets		3,145		49,630	
Interest received		10,538		19,863	
<b>Net cash used in investing activities</b>			(96,761)		(473,353)
<b>Financing activities</b>					
Payment of obligations under finance leases		(7,754)		(12,913)	
<b>Net cash used in financing activities</b>			(7,754)		(12,913)
<b>Net increase in cash and cash equivalents</b>			79,362		370,708
Cash and cash equivalents at beginning of year			3,480,381		3,109,673
<b>Cash and cash equivalents at end of year</b>			<u>3,559,743</u>		<u>3,480,381</u>

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**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.

**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. The principal accounting policies adopted are set out below.

**1.2 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.

**1.3 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.

**1.4 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.

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

---

**1 Accounting policies**

**(Continued)**

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.

**1.5 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.

**1.6 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:

Building improvements	10-20% Straight line basis
Fixtures, fittings & equipment	20-33 1/3% 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.

**1.7 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).

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

---

**1 Accounting policies**

**(Continued)**

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 in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.8 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.

**1.9 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.

**1.10 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.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, 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.

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

---

**1 Accounting policies**

**(Continued)**

**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.

**1.11 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.

**1.12 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.

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

---

**1 Accounting policies**

**(Continued)**

**1.13 Retirement benefits**

**Defined contribution scheme**

The charity set up a new 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.

**Defined benefit scheme**

The trust also 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 excluding amounts included in net interest. 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.

**1.14 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets 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.

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.

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**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.

**3 Charitable activities**

	Grants and management fees	Swimming	Sport and recreation	Health and fitness	Total 2018	Total 2017
	£	£	£	£	£	£
Sales within charitable activities	-	2,900,581	1,127,913	5,243,237	9,271,731	9,182,607
Performance related grants and management fees	1,568,951	-	-	-	1,568,951	1,666,113
	<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>	<u>10,848,720</u>
Analysis by fund						
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>	
<b>For the year ended 31 March 2017</b>						
Unrestricted funds	1,241,054	2,899,001	1,145,338	5,100,057		10,385,450
Restricted funds	425,059	88	23,653	14,470		463,270
	<u>1,666,113</u>	<u>2,899,089</u>	<u>1,168,991</u>	<u>5,114,527</u>		<u>10,848,720</u>

**4 Other trading activities**

	2018 £	2017 £
Non-charitable trading activities	<u>378,006</u>	<u>276,202</u>

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**5 Investment income**

	2018 £	2017 £
Interest receivable	10,538	19,863

**6 Other income**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Other income	477,002	2,018	479,020	403,527
For the year ended 31 March 2017	392,527	11,000		403,527

**7 Raising funds**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Trading costs				
Other trading activities	123,325	448	123,773	97,159
	123,325	448	123,773	97,159



**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**8 Charitable activities**

	2018 £	2017 £
Staff costs (including NI and pension)	5,366,457	5,352,286
Depreciation and impairment	434,226	434,970
Leasing rentals	53,963	54,725
Bad debts	(7,464)	-
Premises (including rent, rates, utilities, repairs and maintenance)	2,446,339	2,611,387
Operational supplies and services	769,708	626,516
Establishment	139,042	112,568
Transport	107,062	101,175
Other staff costs	104,029	117,046
Miscellaneous	47,337	54,985
Freelancers	237,342	238,733
Transaction charges	103,237	108,036
Contribution to skate parks	-	61,700
Unrecovered VAT	464,379	443,026
	<u>10,265,657</u>	<u>10,317,153</u>
Share of support costs (see note 9)	1,261,461	1,076,993
Share of governance costs (see note 9)	26,890	22,049
	<u>11,554,008</u>	<u>11,416,195</u>
<b>Analysis by fund</b>		
Unrestricted funds	11,032,255	
Designated funds	12,100	
Restricted funds	509,653	
	<u>11,554,008</u>	
<b>For the year ended 31 March 2017</b>		
Unrestricted funds		10,776,455
Designated funds		1,350
Restricted funds		638,390
		<u>11,416,195</u>

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**9 Support costs**

	Support costs	Governance costs	Total 2018	Total 2017
	£	£	£	£
Staff costs (including NI and pension)	349,682	-	349,682	340,756
Premises, general office and finance	203,192	-	203,192	120,530
Supplies and services	38,142	-	38,142	51,865
Advertising and marketing	202,176	-	202,176	179,488
Insurance	178,245	-	178,245	173,887
Professional and consultancy fees	181,191	-	181,191	104,732
Unrecovered VAT	62,426	-	62,426	59,545
Establishment	16,907	-	16,907	17,347
Other staff costs	29,500	-	29,500	28,843
Audit fees	-	9,500	9,500	7,900
Other governance costs	-	17,390	17,390	14,149
	<u>1,261,461</u>	<u>26,890</u>	<u>1,288,351</u>	<u>1,099,042</u>
Analysed between				
Charitable activities	<u>1,261,461</u>	<u>26,890</u>	<u>1,288,351</u>	<u>1,099,042</u>

**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 2018**

**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:

	2018 Number	2017 Number
Charitable	199	210
Management and administration	26	28
	<u>225</u>	<u>238</u>

**Employment costs**

	2018 £	2017 £
Wages and salaries	5,157,702	5,156,281
Social security costs	353,202	331,736
Other pension costs	205,235	205,025
	<u>5,716,139</u>	<u>5,693,042</u>

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

	2018 Number	2017 Number
£60,000 - £69,999	2	1
£70,000 - £79,999	1	1
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-
	<u>4</u>	<u>3</u>

**12 Other expenditure**

	2018 £	2017 £
Net (profit)/loss on disposal of tangible fixed assets	(3,145)	(49,630)
	<u>(3,145)</u>	<u>(49,630)</u>

**13 Release of accrual**

At the year end an accrual of £250,000 was considered to be no longer required and was released.

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**14 Tangible fixed assets**

	Building improvements	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2017	1,108,443	2,166,136	3,274,579
Additions	-	110,444	110,444
Disposals	-	(47,471)	(47,471)
At 31 March 2018	1,108,443	2,229,109	3,337,552
<b>Depreciation and impairment</b>			
At 1 April 2017	821,374	1,090,602	1,911,976
Depreciation charged in the year	69,374	364,852	434,226
Eliminated in respect of disposals	-	(47,471)	(47,471)
At 31 March 2018	890,748	1,407,983	2,298,731
<b>Carrying amount</b>			
At 31 March 2018	217,695	821,126	1,038,821
At 31 March 2017	287,069	1,075,534	1,362,603

**15 Financial instruments**

	2018	2017
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	4,018,464	3,718,556
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,553,672	1,893,811

**16 Stocks**

	2018	2017
	£	£
Finished goods and goods for resale	31,268	35,676

**17 Debtors**

	2018	2017
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	178,206	209,441
Other debtors	280,515	28,734
Prepayments and accrued income	391,225	361,458
	849,946	599,633

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**18 Creditors: amounts falling due within one year**

	Notes	2018 £	2017 £
Obligations under finance leases		-	7,754
Other taxation and social security		25,376	24,216
Deferred income	20	880,692	853,838
Trade creditors		572,117	561,059
Other creditors		29,797	35,853
Accruals		951,758	1,289,145
		<u>2,459,740</u>	<u>2,771,865</u>

**19 Provisions for liabilities**

	Notes	2018 £	2017 £
Insurance provision		125,783	95,783
Retirement benefit obligations	21	1,524,000	1,657,000
		<u>1,649,783</u>	<u>1,752,783</u>

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

	Insurance provision £
At 1 April 2017	95,783
Additional provisions in the year	50,000
Utilisation of provision	(20,000)
At 31 March 2018	<u>125,783</u>

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**20 Deferred income**

	2018 £	2017 £
Other deferred income	880,692	853,838

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Current liabilities	880,692	853,838
	880,692	853,838

**21 Retirement benefit schemes**

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 schemes**

*Key assumptions*

	2018 %	2017 %
Discount rate	2.7	2.6
Expected rate of increase of pensions in payment	2.4	2.4
Expected rate of salary increases	2.4	2.4

*Mortality assumptions*

The assumed life expectations on retirement at age 65 are:

	2018 Years	2017 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

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**21 Retirement benefit schemes**

**(Continued)**

Amounts recognised in the statement of financial activities:

	2018 £	2017 £
Current service cost	374,000	222,000
Net interest on defined benefit liability/(asset)	46,000	23,000
<b>Total costs</b>	<b>420,000</b>	<b>245,000</b>

	2018 £	2017 £
Actual return on scheme assets	(387,000)	(2,393,000)
Less: calculated interest element	331,000	361,000
Return on scheme assets excluding interest income	(56,000)	(2,032,000)
Actuarial changes related to obligations	(315,000)	2,992,000
<b>Total costs/(income)</b>	<b>(371,000)</b>	<b>960,000</b>

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

	2018 £	2017 £
Present value of defined benefit obligations	14,650,000	14,396,000
Fair value of plan assets	(13,126,000)	(12,739,000)
<b>Deficit in scheme</b>	<b>1,524,000</b>	<b>1,657,000</b>

Movements in the present value of defined benefit obligations:

	2018 £
Liabilities at 1 April 2017	14,396,000
Current service cost	374,000
Benefits paid	(234,000)
Contributions from scheme members	52,000
Actuarial gains and losses	(315,000)
Interest cost	377,000
<b>At 31 March 2018</b>	<b>14,650,000</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**21 Retirement benefit schemes**

**(Continued)**

The defined benefit obligations arise from plans funded as follows:

	2018 £
Wholly unfunded obligations	-
Wholly or partly funded obligations	14,650,000
	<u>14,650,000</u>

Movements in the fair value of plan assets:

	2018 £
Fair value of assets at 1 April 2017	12,739,000
Interest income	331,000
Return on plan assets (excluding amounts included in net interest)	56,000
Benefits paid	(234,000)
Contributions by the employer	182,000
Contributions by scheme members	52,000
At 31 March 2018	<u>13,126,000</u>

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

	2018 £	2017 £
Equity instruments	8,663,160	9,554,250
Debt instruments	2,100,160	2,038,240
Property	918,820	636,950
Cash	1,443,860	509,560
	<u>13,126,000</u>	<u>12,739,000</u>



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**FOR THE YEAR ENDED 31 MARCH 2018**

**22 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:

	Balance at 1 April 2017	Movement in funds		Transfers	Balance at 31 March 2018
		Net Incoming resources	Resources expended		
	£	£	£	£	£
The Big Event	-	13,637	(13,637)	-	-
SMILE	-	11,178	(6,058)	-	5,120
PCC	4,790	-	(4,790)	-	-
SPA	(175)	187,766	(189,085)	-	(1,494)
Fit and Fed	-	7,469	(7,469)	-	-
Satellite Clubs	-	13,126	(13,126)	-	-
I Wish I'd Tried	9,191	94,865	(123,541)	19,485	-
Earmarked Stockport MBC Funding					
Accounts	99,388	-	(20,061)	-	79,327
Adult Inactivity	24,191	35,551	-	(17,495)	42,247
Community Coaches	-	-	(73,004)	73,004	-
Other	-	45,565	(59,330)	13,930	165
	<u>137,385</u>	<u>409,157</u>	<u>(510,101)</u>	<u>88,924</u>	<u>125,365</u>

**SMILE (Simple Movements Improve Life Everyday)** is a new 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.

**The Police and Crime Commissioner Funding (PCC)** was a 1 year allocation of money providing activities for young people throughout Stockport's Priority 1 and 2 areas. Delivery took place term time on an evening and throughout the school holidays, with the main focus around positive diversionary activities. Specialist equipment such as portable lights help to make these sessions possible and there was also the delivery of specific events and roadshows to engage and inspire the young people into taking a more positive pathway.

**SPA** represents a new Specialist Physical Activity service for Stockport. The contract to deliver this service was awarded to Life Leisure in the year, following a successful tendering process. It is initially a 4 year contract starting in 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

In addition, part of the new commission is to continue to provide specialist physical activity advice and support for those who are under the Tier 3 specialist weight management service provided by ABL Health.

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**22 Restricted funds**

(Continued)

**Fit and Fed**

The Fit and Fed project was funded through Awards for All and again was an allocation to cover 1 year of delivery. This project specifically focused on the school holidays within Stockport's Priority 1 and 2 areas. Evidence shows that children (and families) who receive free school meals struggle throughout the holidays; therefore this project tackled food poverty and provided children with a nutritious lunch in addition to fun, engaging activities within a safe environment.

**Satellite Clubs** is a Sport England funded initiative aimed at 14-19 year olds. They are local sport and physical activity clubs that are designed around the needs of young people and provide them with positive, enjoyable experiences that make it easy for them to become active or to develop more regular activity habits. Life Leisure manage this 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.

**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.

The Earmarked funding from Stockport MBC is in respect of capital projects financed through NNDR funding. The last funding was made available in 2011-12.

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

The Community Coaches Scheme is represented by a number of coaches who are employed to deliver sport and physical activities for children and young people in a number of settings, including schools, community settings and leisure centres. A number of partners contribute to the costs of employing these coaches including the School Sports Partnership and governing bodies of sport.

**23 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:

	Movement in funds				
	Balance at 1 April 2017	Incoming resources	Resources expended	Transfers	Balance at 31 March 2018
	£	£	£	£	£
Quality Assurance	20,000	-	(12,100)	-	7,900
SSV Sinking Fund	120,000	-	-	250,000	370,000
	<u>140,000</u>	<u>-</u>	<u>(12,100)</u>	<u>250,000</u>	<u>377,900</u>

**SSV Sinking Fund** is for the replacement of football pitches at Stockport Sports Village.

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**24 Analysis of net assets between funds**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2018 are represented by:				
Tangible assets	959,495	-	79,326	1,038,821
Current assets/(liabilities)	1,557,278	377,900	46,039	1,981,217
Provisions	(1,649,783)	-	-	(1,649,783)
	<u>866,990</u>	<u>377,900</u>	<u>125,365</u>	<u>1,370,255</u>

**25 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:

	2018 £	2017 £
Within one year	40,153	84,317
Between two and five years	218,903	101,471
In over five years	10,620,739	11,230,590
	<u>10,879,795</u>	<u>11,416,378</u>

**26 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows:

	2018 £	2017 £
Aggregate compensation:	<u>413,802</u>	<u>317,335</u>

Towards the end of the previous financial year the Executive Management Team increased from 3 to 5. Their remuneration was only included from when they joined the Executive Management Team.

During the year Stockport Metro Swimming Club paid Life Leisure £40,000 (2017 - £40,000) for use of their facilities. Mr J. Pate is an officer in both entities.

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<b>27</b>	<b>Cash generated from operations</b>	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
	Surplus/(deficit) for the year	283,610	84,588
	Adjustments for:		
	Investment income recognised in statement of financial activities	(10,538)	(19,863)
	Movement on provisions	30,000	45,783
	Gain on disposal of tangible fixed assets	(3,145)	(49,630)
	Depreciation and impairment of tangible fixed assets	434,226	434,970
	Movements in working capital:		
	Decrease/(increase) in stocks	4,408	(1,239)
	(Increase)/decrease in debtors	(250,313)	97,921
	(Decrease)/increase in creditors	(331,225)	354,453
	Increase/(decrease) in deferred income	26,854	(90,009)
	<b>Cash generated from operations</b>	<b>183,877</b>	<b>856,974</b>