
Stockport Sports Trust
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements
For the Year Ended 31 March 2020

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Stockport Sports Trust
(A Company Limited by Guarantee)

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Stockport Sports Trust
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers
For the Year Ended 31 March 2020

Trustees	Mr G Batra, Chair Mrs V Cottam MBE Mr A Cawley Mr J Pate Mr B Lupton Mrs C Lancaster Mr M Pomfret (resigned 1 February 2020) Mr M Atkinson (resigned 30 July 2020)
Company registered number	04304674
Charity registered number	1094247
Registered office	Life Leisure Houldsworth Village Broadstone Road Reddish Stockport Cheshire SK5 7AT
Company secretary	P Vibrans
Independent auditors	Hurst Accountants Limited Chartered Accountants Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport SK1 1TD

Stockport Sports Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 March 2020

The Trustees present their annual report together with the audited financial statements of the Group for the year ended 31 March 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The Group'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 occupations 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;
- 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 situated or 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

a. Main achievements of the Company

2019-20 was a successful year that was relatively unaffected by the Covid-19 pandemic until sites were mandated to close on 20 March 2020, shortly before our year-end. It was also our first full year of operation at Barrow-in-Furness. The trustees are pleased to report that, during the year, this facility went from strength to strength under Life Leisure's leadership in terms of its operational performance as well as its impact on the local community.

From an income perspective, our health and fitness services performed ahead of budget, largely due to strong membership sales, in particular at Barrow. Income from swimming fell behind target, mainly due to the continuing impact of the closure of Cheadle pool in the previous year and the corresponding impact on customer confidence at that site. Income from sport and recreation was in line with budget.

Stockport Sports Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2020

Main achievements of the Company (continued)

The Trustees are pleased to also report that it was another busy and successful year for Life Leisure in terms of recognition for the dedication of our colleagues. We continued to pursue excellence in the services we deliver to our communities and this resulted in nominations for many local business and national industry awards during the year. Our notable wins this year were:

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

The Trustees would like to thank all our colleagues for their commitment and hard work during the year.

From the onset of the Covid-19 pandemic and throughout we have worked alongside our local authority partners, Stockport Metropolitan Borough Council and Barrow Borough Council, to mothball sites during closure, cancel contracted spend and mitigate costs wherever possible. This included placing the large majority of staff on furlough and claiming support through the Coronavirus Job Retention Scheme (CJRS). We have also been provided with financial support from both Local Authorities to contribute towards the reduction in the deficits incurred during each lockdown and under reopening given our significantly reduced customer base. The Trustees would like to extend their thanks to both Stockport Metropolitan Borough Council and Barrow Borough Council for their continued financial support, which is more fully described later in these accounts.

Financial review

a. Financial review - Prior to the impact of COVID-19

A summary of the year's results for the Group can be found in the Statement of Financial Activities on page 12 of the accounts.

In the year to 31 March 2020, total income of the Group (including grants and management fees) amounted to £12,806,411 compared with £12,365,436 in the previous year. Total resources expended without taxation amounted to £12,140,218 (2019: £12,067,362) which resulted in a Group net operational surplus for the year before transfers and taxation of £666,193 (2019: £298,074). This surplus is further analysed into a surplus of £654,778 on unrestricted activities (normal operations: leisure centre management, sports development activity and non-group operations of the subsidiary company) and a surplus of £11,415 on restricted/designated funds (specific project delivery from ring-fenced funds).

£5,364 of transfers have been made from the unrestricted surplus to fund the deficits incurred by the Club Development Fund.

After allowing for transfers between funds and taxation, the net incoming resources on unrestricted funds amounted to £919,565 and £16,779 on designated and restricted funds. This has been one of the most successful years operationally and financially since the Charity was set up in 2002, with cash balances increasing by £440K during the year. In addition, the Group invested £308K in tangible fixed assets, of which £235K related to the creation of a boutique fitness studio (H1ve) at Stockport Sports Village. The Group also disposed of its fixed asset investments in Stockport County football club, which had previously been written down to nil, thereby generating a surplus on sale of the shares amounting to £105K.

Stockport Sports Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2020

b. Principal funding sources

Aside from the Trust's operational turnover of £11.1m (2019: £10.8m) the principal funding source for the Charity is an annual management fee from Stockport Metropolitan Borough Council (SMBC) amounting to £446K (2019: £611K), a management fee of £48K from Barrow Borough Council for the remaining 4 months of funding for Year 1 of operations under the new contract (2019: £100K). Further grants and management fees totalled £1.032m (2019: £0.8m).

The total amount of Covid-19 funding received relating to the financial year 2019-20 was £163,866, comprising of £74,479 of deficit funding received from Local Authority partners and £89,387 under the Coronavirus Job Retention Scheme.

c. Impact of the COVID-19 pandemic and the basis of preparation of accounts

Prior to the Covid-19 pandemic, total income across the Group was on target and all costs were on track with budget. Notwithstanding the success of the group's operations and financial performance during 2019-20, the arrival of the Covid-19 pandemic towards the end of the financial year has had a major impact on the ability of the group to continue to provide leisure services and community activities as it did previously.

From the onset of the pandemic and throughout the organisation has worked tirelessly to take steps to control costs and maintain the liquidity and net assets position of the Group to ensure that leisure services would resume for our local communities and that jobs would be retained. This has involved mothballing sites during lockdowns, cancelling contracted spend and mitigating costs wherever possible, including placing the majority of staff on furlough and claiming support through the government's Coronavirus Job Retention Scheme (CJRS) as well as other government support initiatives. Unfortunately, cost control measures also necessitated a significant restructure of the management team resulting in the departure of our Group Chief Executive, Malcolm McPhail, along with a number of other colleagues. Malcolm was instrumental in the development of Life Leisure since joining us in 2007, and the Trustees would like to record their thanks to Malcolm for his contributions and leadership to the Trust. The Trustees would also like to congratulate Michaela Pennington (Group Operations Director) on her appointment as the Trust's new Chief Executive Officer.

In addition to the mitigation of costs and other operational measures, in order to manage our finances the Trust has needed and has received substantial financial support from our Local Authority partners. This has been instrumental in managing the deficits arising as a result of enforced closures during the pandemic as well as deficits arising under reopening with a considerably eroded customer base.

These deficit funding arrangements, as well as the realisation that a significant amount of funding is likely to continue to be required going forward, have been accompanied by discussions with Stockport Metropolitan Borough Council as well as Barrow Borough Council in relation to the future operating model of leisure services. At the time of writing, the Trustees anticipate that, in the coming months, these leisure services will be taken back under direct control of both our Local Authority clients. It is expected that this is the most effective way to ensure continuity of the vital services we provide to the communities we serve, and to protect jobs for our dedicated and highly capable colleagues.

If, as anticipated, these service transitions complete in the coming months, the Trust will then enter into an orderly wind down process. Consequently, the Board of Trustees has taken the decision to not prepare these accounts on a going concern basis. Adjustments have been made in these accounts to reflect this position and further details are set out in note 2.2 to the accounts.

Stockport Sports Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2020

Structure, governance and management

a. Constitution

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 are as follows:

Mr M Atkinson (Resigned 30/07/2020)
Mrs V Cottam MBE
Mr M Pomfret (Resigned 01/02/2020)
Mr A R Cawley
Mr J Pate
Mr B J Lupton
Ms C A Lancaster
Mr G Batra

The Board would like to thank Mike Atkinson and Mel Pomfret for their dedication, unfailing support and contribution to the Trust over many years.

b. Methods of appointment or election of Trustees

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 qualifications 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.

c. Policies adopted for the induction and training of Trustees

The organisation is essentially one local to Stockport, providing management of community sport and leisure centres. Most directors have close links with the Stockport area and are users of the facilities. They have a grasp, therefore, of the service requirements and a feel for the ethos of the Life Leisure management approach and the internal brand of preferred behaviours.

All new directors are given access to Company information including the 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 the Board from the executive management team and up-to-date management accounts.

During the year the directors met at least bi-monthly as a formal Board of Directors. There are also three sub-committees in place to deal with Audit, Risk, and Remuneration & Nominations, which meet on a regular basis and operate alongside the Executive Management Team.

Stockport Sports Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2020

Structure, governance and management (continued)

d. Organisational structure and decision-making policies

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 at Life Leisure during the year was made up of 3 individuals, comprising the Group Chief Executive Officer (CEO), Group Finance Director and Group Operations Director. The team attends every bi-monthly Board meeting and presents reports to the Board in respect of strategic issues.

During the year, day to day responsibility rested with the CEO, supported by the Executive Management Team, as well as the Assistant Heads of Operations, Head of Human Resources and Organisational Development, Group Operations Managers and Senior Business Managers, who have direct roles for the smooth running of each of our 13 leisure facilities as well as the activities of our sports development and health and well-being teams.

e. Related party relationships

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.

We 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.

f. Risk management

The trustees have developed processes to identify, evaluate and manage risk as part of the bi-monthly Trustee board meetings. A Risk Group 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 reserves policy.

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Trustees' Report (continued)
For the Year Ended 31 March 2020

Structure, governance and management (continued)

g. Reserves policy

During the year and as at the 31 March 2020, the directors maintained a reserves policy to ensure the Charity had 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 agreements, 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 are appropriated to the general reserve. It was 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.

As a result of the anticipated transfer of the operations and assets of the Group, the Group's reserves policy has now been updated to ensure the Group has sufficient reserves to enable an orderly wind up.

Stockport Sports Trust
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Trustees' Report (continued)
For the Year Ended 31 March 2020

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. As explained in note 2.2, the trustees do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Hurst Accountants Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Gaurav Batra (Jun 15, 2021, 1:30pm)

.....
Mr G Batra

Trustee

15 Jun 2021

Date:

Stockport Sports Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Stockport Sports Trust

Opinion

We have audited the financial statements of Stockport Sports Trust (the 'Parent Charitable Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent charitable company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 2.2 in the financial statements, which indicates that the trustees do not consider it to be appropriate to adopt the going concern basis of accounting in preparing these financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 2.2. Our opinion is not modified in this respect of this matter.

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 Auditors' 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
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Stockport Sports Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes 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 Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Stockport Sports Trust
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Independent Auditors' Report to the Members of Stockport Sports Trust (continued)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

HABesantRoberts

Helen Besant Roberts (Jun 16, 2021,
9:06am)

Helen Besant-Roberts (Senior Statutory Auditor)

for and on behalf of

Hurst Accountants Limited

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

SK1 1TD

Date: 15 Jun 2021

Stockport Sports Trust
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Government grants	4	88,763	624	89,387	-
Charitable activities	5	11,104,819	560,612	11,665,431	11,196,933
Other trading activities	6	271,664	-	271,664	274,540
Investments	7	3,327	-	3,327	5,177
Other income	8	776,602	-	776,602	888,786
Total income		12,245,175	561,236	12,806,411	12,365,436
Expenditure on:					
Raising funds	9	109,667	-	109,667	113,614
Charitable activities	10	11,475,977	549,821	12,025,798	11,856,378
Other expenditure	12	4,753	-	4,753	97,370
Total expenditure		11,590,397	549,821	12,140,218	12,067,362
Net income before taxation		654,778	11,415	666,193	298,074
Taxation		270,151	-	270,151	(21,418)
Net income after taxation		924,929	11,415	936,344	276,656
Transfers between funds	26	(5,364)	5,364	-	-
Net movement in funds before other recognised gains/(losses)		919,565	16,779	936,344	276,656
Other recognised gains/(losses):					
Losses on revaluation of fixed assets		(3,450,000)	-	(3,450,000)	-
Actuarial gains/(losses) on defined benefit pension schemes	31	1,631,000	-	1,631,000	(791,000)
Impairment of goodwill		(264,568)	-	(264,568)	-
Net movement in funds		(1,164,003)	16,779	(1,147,224)	(514,344)
Reconciliation of funds:					
Total funds brought forward		749,238	106,673	855,911	1,370,255
Net movement in funds		(1,164,003)	16,779	(1,147,224)	(514,344)
Total funds carried forward		(414,765)	123,452	(291,313)	855,911

Stockport Sports Trust
(A Company Limited by Guarantee)
Registered number: 04304674

Consolidated Balance Sheet
As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	16	-	296,637
Tangible assets	17	5,580,843	9,091,952
Investments	18	-	-
		<u>5,580,843</u>	<u>9,388,589</u>
Current assets			
Stocks	19	13,696	24,174
Debtors	20	1,004,728	913,670
Cash at bank and in hand		<u>2,038,108</u>	<u>1,598,136</u>
		3,056,532	2,535,980
Creditors: amounts falling due within one year	21	<u>(3,150,737)</u>	<u>(3,046,729)</u>
Net current liabilities		<u>(94,205)</u>	<u>(510,749)</u>
Total assets less current liabilities		<u>5,486,638</u>	<u>8,877,840</u>
Creditors: amounts falling due after more than one year	22	(4,473,952)	(5,049,007)
Provisions for liabilities	24,25	<u>(139,999)</u>	<u>(435,922)</u>
Net assets excluding pension liability		<u>872,687</u>	<u>3,392,911</u>
Defined benefit pension scheme liability	31	<u>(1,164,000)</u>	<u>(2,537,000)</u>
Total net assets/(liabilities)		<u><u>(291,313)</u></u>	<u><u>855,911</u></u>
Charity funds			
Restricted funds	26	123,452	106,673
Unrestricted funds			
Designated funds	26	-	1,359
General funds	26	<u>(414,765)</u>	<u>747,879</u>
Total unrestricted funds	26	<u>(414,765)</u>	<u>749,238</u>
Total funds		<u><u>(291,313)</u></u>	<u><u>855,911</u></u>

Stockport Sports Trust
(A Company Limited by Guarantee)
Registered number: 04304674

Consolidated Balance Sheet (continued)
As at 31 March 2020

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Gaurav Batra (Jun 15, 2021, 1:30pm)

.....
Mr G Batra
Trustee

Date: 15 Jun 2021

The notes on pages 18 to 52 form part of these financial statements.

Stockport Sports Trust
(A Company Limited by Guarantee)
Registered number: 04304674

Company Balance Sheet
As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	17	1,029,718	1,090,328
Investments	18	271,200	3,380,199
		<u>1,300,918</u>	<u>4,470,527</u>
Current assets			
Stocks	19	13,696	24,174
Debtors	20	4,820,584	4,981,270
Cash at bank and in hand		1,932,137	1,269,153
		<u>6,766,417</u>	<u>6,274,597</u>
Creditors: amounts falling due within one year	21	(3,061,569)	(2,955,956)
Net current assets		<u>3,704,848</u>	<u>3,318,641</u>
Total assets less current liabilities		<u>5,005,766</u>	<u>7,789,168</u>
Creditors: amounts falling due after more than one year	22	(3,993,082)	(4,483,053)
Provisions for liabilities	25	(139,999)	(165,771)
Net assets excluding pension liability		<u>872,685</u>	<u>3,140,344</u>
Defined benefit pension scheme liability	31	(1,164,000)	(2,537,000)
Total net assets		<u>(291,315)</u>	<u>603,344</u>
Charity funds			
Restricted funds		123,452	106,673
Unrestricted funds			
Designated funds		-	1,359
General funds		(414,767)	495,312
		<u>(414,767)</u>	<u>496,671</u>
Total funds		<u>(291,315)</u>	<u>603,344</u>

Stockport Sports Trust
(A Company Limited by Guarantee)
Registered number: 04304674

Company Balance Sheet (continued)
As at 31 March 2020

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Gaurav Batra (Jun 15, 2021, 1:30pm)

.....
Mr G Batra

Trustee

Date: 15 Jun 2021

The notes on pages 18 to 52 form part of these financial statements.

Stockport Sports Trust
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	28	<u>1,253,101</u>	<u>1,560,098</u>
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		6,911	3,475
Purchase of tangible fixed assets		(308,308)	(984,110)
Proceeds from sale of investments		105,139	-
Purchase of investments		-	(3,380,199)
Bank balance acquired on acquisition		-	113,526
Interest received		3,327	5,177
Net cash used in investing activities		<u>(192,931)</u>	<u>(4,242,131)</u>
Cash flows from financing activities			
Repayments of borrowing		(467,225)	(4,456,862)
Proceeds of new bank loans		-	5,302,500
Bank loan interest paid		(152,973)	(125,212)
Net cash (used in)/provided by financing activities		<u>(620,198)</u>	<u>720,426</u>
Change in cash and cash equivalents in the year		439,972	(1,961,607)
Cash and cash equivalents at the beginning of the year		<u>1,598,136</u>	<u>3,559,743</u>
Cash and cash equivalents at the end of the year	29	<u><u>2,038,108</u></u>	<u><u>1,598,136</u></u>

The notes on pages 18 to 52 form part of these financial statements

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

1. General information

Stockport Sports Trust is a private company limited by guarantee incorporated in England and Wales, company number 04304674. The registered office is Life Leisure Houldsworth Village, Broadstone Road, Reddish, Stockport, Cheshire, SK5 7AT.

The Group consists of Stockport Sports Trust and its subsidiary.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stockport Sports Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Charity has taken advantage of paragraph 1.11 Section 1, Cashflows, of FRS 102 and as such has not shown an individual charity cashflow statement within these financial statements on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows included within these financial statements includes the Charity's own cash flows.

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

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.2 Going concern

Prior to the Covid-19 pandemic, total income across the Group was on target and all costs were in line with budget. Notwithstanding the success of the group's operations and financial performance during 2019-20, the arrival of the Covid-19 pandemic towards the end of the financial year has had a major impact on the ability of the group to continue to provide leisure services and community activities as it did previously.

Due to the severe impact of Covid-19, the directors anticipate that, in the months following approval of these accounts, the leisure services currently provided by the Group will be taken back under direct control of the relevant local authority clients. This is considered to be the most effective way to ensure continuity of services and protection of jobs.

As explained in the Trustees report, the trustees anticipate that the Company will cease trading and complete a solvent liquidation within 12 months of the date these financial statements have been authorised and issued. As a result these financial statements have been prepared on a basis other than that of a going concern. This basis includes, where applicable, writing the Group's assets down to net realisable value. No provision has been made for any future costs of liquidating the business unless such costs were committed at the reporting date.

2.3 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. Grants for specific purposes are credited to the individual restricted funds. All other grants are credited to unrestricted funds.

Management fees are included in incoming resources when receivable. Management fees for specific purposes are credited to the individual restricted funds. All other 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.

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities and non-charitable trading.

Expenditure on charitable activities is incurred by the Group 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 Group and include the audit fees and costs linked to the strategic management of the Group.

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.

2.5 Government grants

Government grants relating to expenditure are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 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.

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably are carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

Freehold properties are revalued each year end by qualified valuers using recent comparable market transactions on an arm's length basis.

2.10 Impairment of assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there are any indications 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 any impairment loss (if any).

The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing the 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 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 previous 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.

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.11 Investments

Fixed asset investments are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.12 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.14 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.15 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.16 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
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.17 Provisions

Provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.18 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.

2.19 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.20 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.21 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.22 Pensions

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 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 Corporate 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 liability during the period as a result of the contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Re-measurement 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.

Defined benefit scheme - Cumbria Pension Fund

As a result of the 15-year leisure operating contract with Barrow Borough Council effective August 2018, the trust was 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 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 through 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.

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.23 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

In the application of the Group'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 estimated 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 estimates 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 assessed both external and internal sources of information.

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.

Provisions

The insurance provision is an estimate of the policy excesses that are potentially payable to the insurer under the Company's public liability policy. This liability relates to a number of previous financial years where accidents have been recorded but have not resulted in a successful claim at the balance sheet date.

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

4. Income from government grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Government grants	88,763	624	89,387	-
Total 2020	88,763	624	89,387	-
<i>Total 2019</i>	<i>-</i>	<i>-</i>	<i>-</i>	

Government grants income relate to income received in respect of the Coronavirus Job Retention Scheme.

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Grant and management fees	1,042,362	483,694	1,526,056	1,562,590
Swimming	3,088,996	-	3,088,996	2,876,758
Sport and recreation	1,141,038	76,918	1,217,956	1,144,479
Health and fitness	5,832,423	-	5,832,423	5,613,106
Total 2020	11,104,819	560,612	11,665,431	11,196,933
<i>Total 2019</i>	<i>10,772,177</i>	<i>424,756</i>	<i>11,196,933</i>	

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Non-charitable trading activities	271,664	271,664	274,540
Total 2020	271,664	271,664	274,540
<i>Total 2019</i>	<i>274,540</i>	<i>274,540</i>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest receivable	3,327	3,327	5,177
Total 2020	3,327	3,327	5,177
<i>Total 2019</i>	<i>5,177</i>	<i>5,177</i>	

8. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	448,890	448,890	452,517
Loss of income claim	161,887	161,887	374,910
Income from disposal of investments	105,139	105,139	-
Other	60,686	60,686	61,359
Total 2020	776,602	776,602	888,786
<i>Total 2019</i>	<i>888,786</i>	<i>888,786</i>	

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

9. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Other trading activities	109,667	109,667	113,614
Total 2020	<u>109,667</u>	<u>109,667</u>	<u>113,614</u>
<i>Total 2019</i>	<u>113,614</u>	<u>113,614</u>	

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Charitable activities	11,475,977	549,821	12,025,798	11,856,378
Total 2020	<u>11,475,977</u>	<u>549,821</u>	<u>12,025,798</u>	<u>11,856,378</u>
<i>Total 2019</i>	<u>11,401,455</u>	<u>454,923</u>	<u>11,856,378</u>	

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

11. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	11,119,275	906,523	12,025,798	11,856,378
Total 2020	11,119,275	906,523	12,025,798	11,856,378
<i>Total 2019</i>	<i>10,914,918</i>	<i>941,460</i>	<i>11,856,378</i>	

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	64,000	43,000
Staff costs	6,064,650	6,117,108
Depreciation and amortisation	389,822	479,186
Leasing rentals	-	21,818
Bad debts	15,000	23,646
Premises (including rent, rates, utilities, repairs and maintenance)	2,286,546	2,193,073
Operational supplies and services	695,716	579,555
Establishment	176,143	132,121
Transport	98,134	112,067
Other staff costs	135,781	121,467
Miscellaneous	48,042	11,927
Freelancers	243,368	235,625
Transaction charges	80,705	105,501
Unrecovered VAT	399,038	257,081
Bank loan interest	152,973	125,212
Insurance	119,520	179,823
Advertising and marketing	149,837	176,708
Total 2020	11,119,275	10,914,918

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	399,206	375,928
Premises (including rent, rates, utilities, repairs and maintenance)	270,831	194,582
Operational supplies and services	26,495	39,498
Establishment	23,107	20,425
Other staff costs	17,507	30,054
Unrecovered VAT	46,537	52,168
Professional and consultancy fees	99,509	203,790
Governance costs	23,331	25,015
Total 2020	906,523	941,460

12. Other expenditure

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Loss on disposal of fixed assets	4,753	4,753	93,014
Impairment loss	-	-	4,356
Total 2020	4,753	4,753	97,370
<i>Total 2019</i>	<i>97,370</i>	<i>97,370</i>	

13. Auditors' remuneration

	2020 £	<i>2019 £</i>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	11,700	10,750
Fees payable to the Company's auditor in respect of: The audit of the subsidiary's annual accounts	2,300	-

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

14. Staff costs

	Group 2020 £	<i>Group 2019 £</i>
Wages and salaries	5,653,537	5,674,705
Social security costs	328,320	366,152
Contribution to defined contribution pension schemes	287,999	273,179
Operating costs of defined benefit pension schemes	194,000	179,000
	<u>6,463,856</u>	<u>6,493,036</u>

The average number of persons employed by the Group during the year was as follows:

	Group 2020 No.	<i>Group 2019 No.</i>
Charitable	203	207
Management and admin	22	26
	<u>225</u>	<u>233</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	<i>Group 2019 No.</i>
In the band £60,000 - £69,999	-	1
In the band £70,000 - £79,999	1	1
In the band £80,000 - £89,999	1	1
In the band £140,000 - £149,999	1	-
In the band £150,000 - £159,999	-	1

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

16. Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2019	320,689
At 31 March 2020	<u>320,689</u>
Amortisation	
At 1 April 2019	24,052
Charge for the year	32,069
Impairment charge	264,568
At 31 March 2020	<u>320,689</u>
Net book value	
At 31 March 2020	<u>-</u>
<i>At 31 March 2019</i>	<u><u>296,637</u></u>

The Charity had no intangible fixed assets at 31 March 2020.

The goodwill arising on acquisition of the subsidiary company, Woodley Sports Centre Limited, was considered by the directors to have nil value as at the balance sheet date due to the Group no longer reporting on a going concern basis.

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

17. Tangible fixed assets

Group

	Freehold property £	Football pitches / tennis courts £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 1 April 2019	8,000,000	1,193,046	2,517,444	11,710,490
Additions	-	27,908	280,400	308,308
Disposals	-	(17,875)	(55,724)	(73,599)
Revaluations	(3,450,000)	-	-	(3,450,000)
At 31 March 2020	<u>4,550,000</u>	<u>1,203,079</u>	<u>2,742,120</u>	<u>8,495,199</u>
Depreciation				
At 1 April 2019	-	922,865	1,695,673	2,618,538
Charge for the year	-	60,901	296,852	357,753
On disposals	-	(17,875)	(44,060)	(61,935)
At 31 March 2020	<u>-</u>	<u>965,891</u>	<u>1,948,465</u>	<u>2,914,356</u>
Net book value				
At 31 March 2020	<u>4,550,000</u>	<u>237,188</u>	<u>793,655</u>	<u>5,580,843</u>
At 31 March 2019	<u>8,000,000</u>	<u>270,181</u>	<u>821,771</u>	<u>9,091,952</u>

The freehold property was valued on 31 March 2020 by Ian D Crompton BSc (Hons) MRICS, RICS Registered Valuer of Lambert Smith Hampton, on an open market value for existing use basis at £6,750,000.

As a result of the anticipated transfer of the operations and assets of the Group after the balance sheet date to the local authority customers, the freehold property has been further impaired to its expected realisable value.

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Notes to the Financial Statements
For the Year Ended 31 March 2020

17. Tangible fixed assets (continued)

Company

	Football pitches / tennis courts £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 April 2019	1,193,046	2,515,444	3,708,490
Additions	27,908	280,400	308,308
Disposals	(17,875)	(55,724)	(73,599)
At 31 March 2020	<u>1,203,079</u>	<u>2,740,120</u>	<u>3,943,199</u>
Depreciation			
At 1 April 2019	922,865	1,695,297	2,618,162
Charge for the year	60,901	296,353	357,254
On disposals	(17,875)	(44,060)	(61,935)
At 31 March 2020	<u>965,891</u>	<u>1,947,590</u>	<u>2,913,481</u>
Net book value			
At 31 March 2020	<u><u>237,188</u></u>	<u><u>792,530</u></u>	<u><u>1,029,718</u></u>
<i>At 31 March 2019</i>	<u><u>270,181</u></u>	<u><u>820,147</u></u>	<u><u>1,090,328</u></u>

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Notes to the Financial Statements
For the Year Ended 31 March 2020

18. Fixed asset investments

Group	Unlisted investments £
Cost or valuation	
At 1 April 2019	50,000
Disposals	(50,000)
At 31 March 2020	<u>-</u>
Impairment	
At 1 April 2019	50,000
Reversal of impairment on disposal	(50,000)
At 31 March 2020	<u>-</u>
Net book value	
At 31 March 2020	<u>-</u>
<i>At 31 March 2019</i>	<u>-</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2020

18. Fixed asset investments (continued)

Company	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2019	3,380,199	50,000	3,430,199
Disposals	-	(50,000)	(50,000)
At 31 March 2020	3,380,199	-	3,380,199
Impairment			
At 1 April 2019	-	50,000	50,000
Charge	3,108,999	-	3,108,999
Reversal of impairment on disposal	-	(50,000)	(50,000)
At 31 March 2020	3,108,999	-	3,108,999
Net book value			
At 31 March 2020	271,200	-	271,200
<i>At 31 March 2019</i>	<i>3,380,199</i>	<i>-</i>	<i>3,380,199</i>

It is anticipated that the operations and assets of the Group will be transferred to the Local Authorities after the balance sheet date. The investment in subsidiary has therefore been written down to its net realisable value.

Principal subsidiaries

The following is a subsidiary undertaking of the Company:

Name	Company number	Registered office/principal place of business	Principal activity	Class of shares	Holding	Included in consolidation
Woodley Sports Centre Limited	05478120	Life Leisure, Houldsworth Village, Broadstone Road, Reddish, Stockport, SK5 7AT	Investment property rental	Ordinary	100%	Yes

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Notes to the Financial Statements
For the Year Ended 31 March 2020

18. Fixed asset investments (continued)

The financial results of the subsidiary for the period were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Woodley Sports Centre Limited	673,068	(267,903)	(2,774,684)	271,200

The loss for the year is after the downward revaluation on the investment property of £3,450,000 and the release of the deferred tax liability of £270,151.

19. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Finished goods and goods for resale	13,696	24,174	13,696	24,174

20. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	607,036	510,505	607,036	510,505
Amounts owed by group undertakings	-	-	3,877,235	4,133,981
Other debtors	82,769	69,656	21,390	3,275
Prepayments and accrued income	314,923	333,509	314,923	333,509
	1,004,728	913,670	4,820,584	4,981,270

Amounts owed to group undertakings are unsecured, repayable on demand and bear interest at 6% over base rate.

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

21. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	500,048	477,302	500,048	477,302
Trade creditors	405,954	392,112	405,954	392,112
Other taxation and social security	248,176	153,228	185,683	91,339
Other creditors	12,715	82,420	12,681	82,420
Accruals	820,777	967,619	816,729	963,369
Deferred income	1,163,067	974,048	1,140,474	949,414
	<u>3,150,737</u>	<u>3,046,729</u>	<u>3,061,569</u>	<u>2,955,956</u>

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 in the previous year to part-finance the 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 and Woodley Sports Centre Limited. As a result of the accounts not being prepared on a going concern basis and due to the timing of the proposed sale of the trade and assets of the Group, all amounts have been shown at the balance sheet date as owing in less than one year and between one and two years.

22. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	3,993,082	4,483,053	3,993,082	4,483,053
Other tax and social security	125,804	188,298	-	-
Deferred income	355,066	377,656	-	-
	<u>4,473,952</u>	<u>5,049,007</u>	<u>3,993,082</u>	<u>4,483,053</u>

Included within the above are amounts falling due as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Between one and two years				
Bank loans	3,993,082	477,384	3,993,082	477,384
Between two and five years				
Bank loans	-	1,546,228	-	1,546,228
Over five years				
Bank loans	-	2,459,441	-	2,459,441

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

22. Creditors: Amounts falling due after more than one year (continued)

As a result of the accounts not being prepared on a going concern basis and due to the timing of the proposed sale of the trade and assets of the Group, all amounts have been shown at the balance sheet date as owing in less than one year and between one and two years.

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 in the previous year to part-finance the 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 and Woodley Sports Centre Limited.

23. Accruals and deferred income

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Amounts due within than one year	1,163,067	974,048	1,140,474	949,414
Amounts due in more than one year	355,066	377,656	-	-
	<u>1,518,133</u>	<u>1,351,704</u>	<u>1,140,474</u>	<u>949,414</u>
	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Deferred income at 1 April 2019	1,351,704	880,692	949,414	880,692
Deferred income on acquisition of subsidiary	-	469,150	-	-
Resources deferred during the year	1,140,474	949,414	1,140,474	949,414
Amounts released from previous periods	(974,045)	(947,552)	(949,414)	(880,692)
Deferred income at 31 March 2020	<u>1,518,133</u>	<u>1,351,704</u>	<u>1,140,474</u>	<u>949,414</u>

24. Deferred taxation

	2020 £	<i>2019 £</i>
Group and Company		
At the beginning of the period	270,151	-
(Credit)/Charge for the period	(270,151)	21,418
Other movements	-	248,733
	<u>-</u>	<u>270,151</u>

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

24. Deferred taxation (continued)

The deferred tax balance is made up as follows:

	Group 2020 £	<i>Group 2019 £</i>
Deferred tax on valuation movements	-	270,151

The deferred tax provision was in relation to the land and buildings acquired by the Group in 2018. The provision was released during the current year as a result of the revaluation which reduced the value of the property and, hence, no tax charge is expected to crystallise on the disposal of the property.

25. Provisions

Group and Company

	Insurance provision £
At 1 April 2019	165,771
Additions	50,000
Amounts utilised	(8,149)
Amounts released	(67,623)
At 31 March 2020	139,999

The insurance provision is an estimate of the policy excesses that are potentially payable to the insurer under the Company's public liability policy. This liability relates to a number of previous financial years where accidents have been recorded but have not resulted in a successful claim at the balance sheet date.

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2020

26. Statement of funds

Statement of Group funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds							
Designated funds							
Quality Assurance	1,359	-	(1,359)	-	-	-	-
General funds							
General Funds	747,879	12,245,175	(11,589,038)	270,151	(5,364)	(2,083,568)	(414,765)
Total Unrestricted funds	749,238	12,245,175	(11,590,397)	270,151	(5,364)	(2,083,568)	(414,765)

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

26. Statement of funds (continued)

	Balance at 1 April 2019 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Restricted funds							
Club Development Fund	-	-	(5,364)	-	5,364	-	-
SMILE	11,127	17,465	(17,465)	-	-	-	11,127
Stockport Metro Swimming Club	-	60,000	(60,000)	-	-	-	-
SPA	(17,799)	203,241	(194,372)	-	-	-	(8,930)
Children in Need	2,055	8,056	(8,056)	-	-	-	2,055
Satellite Clubs	410	10,855	(10,855)	-	-	-	410
Reaching Communities	-	169,500	(169,500)	-	-	-	-
Earmarked Funding Accounts	59,265	-	(20,062)	-	-	-	39,203
Adult Inactivity	51,615	92,119	(64,147)	-	-	-	79,587
Total Restricted funds	106,673	561,236	(549,821)	-	5,364	-	123,452
Total of funds	855,911	12,806,411	(12,140,218)	270,151	-	(2,083,568)	(291,313)

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

26. Statement of funds (continued)

Statement of Group funds - prior year

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
Quality Assurance	7,900	-	(6,541)	-	-	1,359
SSV Sinking Fund	370,000	-	-	(370,000)	-	-
	<u>377,900</u>	<u>-</u>	<u>(6,541)</u>	<u>(370,000)</u>	<u>-</u>	<u>1,359</u>
General funds						
General Funds	866,990	11,940,680	(11,627,316)	358,525	(791,000)	747,879
Total Unrestricted funds	<u>1,244,890</u>	<u>11,940,680</u>	<u>(11,633,857)</u>	<u>(11,475)</u>	<u>(791,000)</u>	<u>749,238</u>

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

26. Statement of funds (continued)

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£	£
Restricted funds						
Wellcome Trust	166	6,730	(6,916)	-	-	-
Club Development Fund	-	-	(11,475)	11,475	-	-
SMILE	5,120	21,785	(15,776)	(2)	-	11,127
Stockport Metro Swimming Club	-	40,000	(40,000)	-	-	-
SPA	(1,494)	200,396	(216,701)	-	-	(17,799)
Fit and Fed	-	2,451	(2,451)	-	-	-
Children in Need	-	9,983	(7,928)	-	-	2,055
Satellite Clubs	-	16,934	(16,524)	-	-	410
Reaching Communities	-	19,453	(19,453)	-	-	-
I Wish I'd Tried	-	22,756	(22,758)	2	-	-
Earmarked Funding Accounts	79,327	-	(20,062)	-	-	59,265
Adult Inactivity	42,246	84,248	(74,879)	-	-	51,615
Total Restricted funds	125,365	424,756	(454,923)	11,475	-	106,673
Total of funds	1,370,255	12,365,436	(12,088,780)	-	(791,000)	855,911

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Notes to the Financial Statements
For the Year Ended 31 March 2020

26. Statement of funds - continued

Restricted funds

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 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 wellbeing 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 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.

Children in Need funding continues the good work from the Fit & Fed project which focused delivery in Stockport's priority 1 & 2 areas and provided children with a nutritious lunch in addition to fun, engaging activities in a safe environment. The Children in Need project has expanded delivery across the borough and 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 to 19 year olds. The project provides local sport and physical activity clubs which are designed around the needs of 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.

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.

Earmarked Funding accounts represents monies received from Stockport MBC in respect of capital projects financed through NNDR funding. The last tranche of the 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. These sessions engage previously inactive adults (25+) in welcoming, sociable and engaging sport and physical activity opportunities across Stockport. Each programme aims to tackle inactivity in innovative ways and further develop as a preventative tool to reduce sedentary behaviours in the community.

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

27. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	5,541,641	39,202	5,580,843
Current assets	2,972,282	84,250	3,056,532
Creditors due within one year	(3,150,737)	-	(3,150,737)
Creditors due in more than one year	(4,473,952)	-	(4,473,952)
Provisions for liabilities and charges	(1,303,999)	-	(1,303,999)
Total	(414,765)	123,452	(291,313)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	9,032,688	59,264	9,091,952
Intangible fixed assets	296,637	-	296,637
Current assets	2,488,571	47,409	2,535,980
Creditors due within one year	(3,046,729)	-	(3,046,729)
Creditors due in more than one year	(5,049,007)	-	(5,049,007)
Provisions for liabilities and charges	(2,972,922)	-	(2,972,922)
Total	749,238	106,673	855,911

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Notes to the Financial Statements
For the Year Ended 31 March 2020

28. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	<i>Group 2019 £</i>
Net income for the period (as per Statement of Financial Activities)	936,344	276,656
Adjustments for:		
Depreciation charges	357,753	455,134
Amortisation charges	32,069	24,052
Interest income	(3,327)	(5,177)
Loss/(profit) on the sale of investments	(105,139)	-
Loss on the sale of fixed assets	4,753	93,014
Decrease in stocks	10,478	7,094
Decrease/(increase) in debtors	(91,058)	272,591
Increase/(decrease) in creditors	(3,822)	23,760
Additional actuarial pension cost	258,000	222,000
Finance cost	152,973	125,212
Movement on insurance provision	(25,772)	39,988
Movement on deferred taxation	(270,151)	21,418
Revaluation of tangible fixed assets	-	4,356
Net cash provided by operating activities	1,253,101	1,560,098

29. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	2,038,108	1,598,136
Total cash and cash equivalents	2,038,108	1,598,136

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

30. Analysis of changes in net debt

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	1,598,136	439,972	2,038,108
Debt due within 1 year	(477,302)	(22,746)	(500,048)
Debt due after 1 year	(4,483,053)	489,971	(3,993,082)
	<u>(3,362,219)</u>	<u>907,197</u>	<u>(2,455,022)</u>

31. Pension commitments

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. The charge to the statement of financial activities in respect of contributions paid to the The People's Pension Fund during the year was £55,185 (2019: £39,232). Contributions totalling £11,448 (2019: £11,603) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit scheme - Cumbria Pension Fund

The charge to the statement of financial activities in respect of contributions paid to the Cumbria Pension Fund during the year was £72,657 (2019: £40,646). Contributions totalling £8,138 (2019: £55,587) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit scheme - Greater Manchester Pension Fund

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 movement in scheme membership.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 March 2020	At 31 March 2019
	%	%
Discount rate	2.3	2.4
Future salary increases	1.8	2.5
Future pension increases	<u>1.8</u>	<u>2.5</u>

Stockport Sports Trust
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Notes to the Financial Statements
For the Year Ended 31 March 2020

31. Pension commitments (continued)

	At 31 March 2020 Years	<i>At 31 March 2019 Years</i>
Mortality rates (in years)		
- for a male aged 65 now	20.5	21.5
- at 65 for a male aged 45 now	22	23.7
- for a female aged 65 now	23.1	24.1
- at 65 for a female aged 45 now	25	26.2

The Group's share of the assets in the scheme was:

	At 31 March 2020 £	<i>At 31 March 2019 £</i>
Equities	8,849,250	9,752,460
Debt instruments	1,923,750	2,120,100
Property	897,750	1,130,720
Cash and other liquid assets	1,154,250	1,130,720
Total fair value of assets	12,825,000	<i>14,134,000</i>

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2020 £	<i>2019 £</i>
Current service cost	354,000	370,000
Interest income	(339,000)	(355,000)
Interest cost	403,000	398,000
Total amount recognised in the Consolidated Statement of Financial Activities	418,000	<i>413,000</i>

Stockport Sports Trust
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Notes to the Financial Statements
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31. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2020 £	2019 £
Opening defined benefit obligation	16,671,000	14,650,000
Current service cost	354,000	370,000
Interest cost	403,000	398,000
Contributions by scheme participants	56,000	62,000
Actuarial (gains)/losses	(3,223,000)	1,413,000
Benefits paid	(272,000)	(222,000)
Closing defined benefit obligation	13,989,000	16,671,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2020 £	2019 £
Opening fair value of scheme assets	14,134,000	13,126,000
Expected return on assets	339,000	355,000
Actuarial (losses)/gains	(1,592,000)	622,000
Contributions by employer	160,000	191,000
Contributions by scheme participants	56,000	62,000
Benefits paid	(272,000)	(222,000)
Closing fair value of scheme assets	12,825,000	14,134,000

	2020 £	2019 £
Fair value of plan assets	12,825,000	14,134,000
Present value of plan liabilities	(13,989,000)	(16,671,000)
Defined benefit pension scheme liability	(1,164,000)	(2,537,000)

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Notes to the Financial Statements
For the Year Ended 31 March 2020

31. Pension commitments (continued)

	2020 £	2019 £
Actual return on scheme assets	1,253,000	(977,000)
Less calculated interest element	339,000	355,000
Return on scheme assets excluding interest income	1,592,000	(622,000)
Actuarial changes related to obligations	(3,223,000)	1,413,000
Actuarial gains/(losses) on defined benefit pension schemes	(1,631,000)	791,000

It is anticipated that the operations and assets of the Group will be transferred to the Local Authorities after the balance sheet date. Consequently, the pension scheme obligations would transfer to the relevant Local Authority.

32. Operating lease commitments

At 31 March 2020 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	329,908	313,830	989,654	954,578
Later than 1 year and not later than 5 years	1,021,250	1,057,891	3,660,234	3,620,887
Later than 5 years	3,111,784	3,344,429	4,694,637	5,548,605
	4,462,942	4,716,150	9,344,525	10,124,070

It is anticipated that the operations and assets of the Group will be transferred to the Local Authorities after the balance sheet date. Consequently, all remaining operating lease commitments would transfer to the relevant Local Authority.

Stockport Sports Trust
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33. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2020 £	2019 £
Aggregate compensation	<u>337,127</u>	<u>414,998</u>

Transactions with related parties

During the year, Stockport Metro Swimming Club paid Life Leisure £60,000 (2019: £40,000) for use of their facilities. Mr J Pate is an officer of both entities.

34. Post balance sheet events

Due to the severe impact of Covid-19, the Trustees anticipate that, in the months following approval of these accounts, the leisure services currently provided by the Group will be taken back under direct control of the relevant Local Authority clients. This is considered to be the most effective way to ensure continuity of services and protection of jobs. The Trust would then enter into an orderly wind down process. Consequently, these accounts have not been prepared on a going concern basis.