

Registered number: 07555631
Charity number: 1145613

UNITY LEISURE
(A company limited by guarantee)
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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UNITY LEISURE

(A company limited by guarantee)

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UNITY LEISURE

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Members

C J Holmes
M J Sawyer
Northampton Borough Council
Health Watch Northamptonshire
University of Northampton
Northamptonshire County Cricket Club
Voluntary Impact Northampton
Northamptonshire Sport
Duston Parish Council
Northampton General Hospital
Age UK Northamptonshire

Trustees

C J Holmes
M J Sawyer
W Pope
A K Ellis
A D Riley
D S Iles (resigned 28 July 2020)
R J Aveling
P J Windatt (resigned 19 November 2019)
A S King
I Leather (resigned 20 May 2019)
A M Bland (resigned 29 July 2019)
P J Joyce (resigned 16 May 2019)
P Jones
Z Smith (appointed 16 May 2019)
S Adams (appointed 19 November 2019)
D Crowther (appointed 19 November 2019)

**Company registered
number**

07555631

**Charity registered
number**

1145613

Registered office

Unity House
78 Robert Street
Northampton
Northamptonshire
NN1 3BJ

UNITY LEISURE

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Advisers (continued)

Company secretary R J Austin

Managing director J Fletcher

Senior management team
J Fletcher, Managing Director
R J Austin, Finance Director
L Kay, Director of Sport & Health Development Operations

Independent auditor MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
Peterbridge House
The Lakes
Northampton
NN4 7HB

Bankers HSBC Bank
St Clair House
5 Old Bedford Road
Northampton
NN4 7AA

UNITY LEISURE

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the audited financial statements of the company for the 1 April 2019 to 31 March 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the 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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The company also trades under the name Northampton Leisure Trust.

Objectives and Activities

a. POLICIES AND OBJECTIVES

'Inspiring Active Lifestyles'

The Trust has set itself five priorities:

- To create and deliver initiatives for the improvement of Health & Wellbeing across the geographical area we serve
- To improve on the Social Impact and value of our services
- To continuously improve customer service and journey by delivering high quality services and facilities
- To generate income and surpluses to allow us to invest, improve and increase our leisure offer
- To enhance our skilled and motivated workforce

b. ACHIEVEMENTS AND PERFORMANCE

Against these priorities the Trust has achieved the following this year:

- Street Games National Awards – Winner of the Sustainability Award for the Northampton Street Sports Programme
- Community Leisure UK National Awards – Finalist in the Community Impact Award – Physical Activity category for the Northampton Leisure Trust (NLT) Activity on Referral Scheme
- The NLT Activity on Referral Scheme doubled its number of active referrals from healthcare professionals in 2019/20
- Launch of Lazergeddon activity centre at Berzerk – Feb 2020
- Launch of new company website
- Continued growth of JNR membership and Swim School – ongoing expansion of JNR programme to support growth
- Refresh of three main gyms with new Matrix equipment
- Launch of new Spin studio at Duston & Lings Forum
- Replacement of all Spin bikes with new Matrix equipment
- Development and partnership with Your PT to revamp and refresh PT offer

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

c. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Trustees have referred to the Charity Commission's guidance on public benefit when deciding on the activities Unity Leisure provides. Unity Leisure provides public benefit in the following ways:

- To promote for the public benefit the provision of facilities for recreation or other leisure time occupation for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their conditions of life.
- To advance health for the public benefit by promoting participation in healthy exercise and physical activity.
- To advance education in the arts for the public benefit in particular but not exclusively by the maintenance and management of a cinema.

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

The shadow of Covid 19 hangs heavy over the Trust and will have a massive impact on our financial performance. Up until the point we were asked to close the trust made a surplus of £253k before internal depreciation charges and FRS102 pension adjustments – an improvement of £80k against our initial forecasts and £89k better than last year. This improved performance was primarily down to better than expected income from our gyms and a reduction in financing costs and non-recoverable VAT.

During the year we were able to continue to invest into our facilities. A total of £207k was spent on various projects including the creation of laser tag at Berzerk, refurbishment of the steam room at Mounts new gym equipment and various minor improvements to plant and buildings. £120k of this was funded through leasing and the remainder from our own resources.

b. REVIEW OF ACTIVITIES

In 2019/20 the Trust, albeit a maturing and successful organisation, experienced its toughest year since conception in 2011. The Trust is totally independent of any financial support from Northampton Borough Council and thus, is wholly exposed to the competitive environment within which it exists. The Trust has ageing buildings with plant & equipment that is inefficient, resulting in high utility and maintenance costs, which resulted in a lower level of surplus than predicted.

In driving our Charitable Objectives forward, and impacting positively on our local communities, we are working closely and in partnership with the Northampton General Practice Alliance to deliver Health Checks. As a result, we are signposting those people towards engagement in activity that impacts on both physical and mental wellbeing.

Our direct debit memberships have grown again, however new national budget operators opening new facilities in Northampton have impacted negatively on our forecasted growth. At the end of the year the enforced closedown due to Covid-19 has created further financial pressures for the Trust.

The Health & Wellbeing Development Team continued to build relationships with the healthcare sector. During 2019/20 a number of health development programmes were established or increased in size and impact including, Adult Weight Management, Falls Prevention, Health Walks and NHS Health Checks. The NLT Activity on Referral scheme in particular has experienced significant growth as our network of health care partners grows.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

Financial review

a. GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. RESERVES POLICY

The reserves policy for the Trust sets out the cash target level of reserves of £600,000. This figure is made up of two key components namely;

- £300,000 being the amount needed to manage fluctuations in cash flow
- £300,000 being the amount needed to manage unforeseen expenditure or drops in income

We currently do not set aside any amounts to meet future expenditure as this can all be funded by ongoing revenue. It is though part of our strategy to develop a new reserve of up to £400,000 so that we can take advantage of opportunities as they come about.

As at 31 March 2020 the value of cash reserves held was £478,132.

It is though anticipated that the impact of Covid 19 will fully deplete all reserves of the Trust.

Structure, governance and management

a. CONSTITUTION

The company is registered as a charitable company limited by guarantee (company number: 07555631), governed by Memorandum and Articles of Association and was set up by a Trust deed in 2012.

The company is constituted under a Trust deed and is a registered charity and holds the registration number 1145613.

The principal object of the company is to operate for public benefit, facilities and services for leisure and recreation and be sustainable.

The charitable company operates under the name 'Northampton Leisure Trust'.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees are appointed and their conduct governed by the charitable company's Articles of Association and Code of Conduct. New Trustees are recruited through local advertisements and any appointment would be based on an assessment of the required abilities and, if appropriate, specialist skills required by the board. All current Trustees have received training to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making process, the Business Plan and financial monitoring of the charitable company's performance. Any new Trustee(s) will receive a commensurate level of training in accordance with the Trustee induction policy. None of the Trustees receive remuneration or other benefit from their work with the charitable company.

d. PAY POLICY FOR SENIOR STAFF

The remuneration of the Managing Director and the Finance Director is considered by a Remuneration Committee. Other permanent staff are remunerated using an evaluation model promoted by the Joint Negotiating Council. Where this is not appropriate, market rates are applied. Remuneration is based on a combination of market rates, performance and the need to retain key members of staff.

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees, which can contain up to 15 members, administers the charitable company. The board meets on a bi-monthly basis and there are the following sub-committees:

- Audit Committee
- Remuneration Committee

The Managing Director and the Finance Director are appointed by the Trustees to manage the day to day operations of the charitable company. To facilitate effective operations the Managing Director and the Finance Director have delegated authority, within the terms of delegation approved by the Trustees, for all operational and administrative functions including finance, HR and IT.

f. RISK MANAGEMENT

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the charitable company may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- Implementation of procedures designed to minimise any potential impact on the charitable company should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charitable company. Particular attention has focused on financial risk with regard to the FRS102 pension liability, assessing Unity Leisure's exposure to its facilities repair and maintenance costs, the monthly monitoring of trading performance together with an assessment of the key performance indicators and the implementation of a prudent reserves policy.

Non-financial risk is also regularly assessed with regard to company operations and ensuring continued usage of facilities through capital investment strategy and operational activity reviews. In particular, work has been undertaken to identify and mitigate health and safety issues within operational areas. This approach to risk management has resulted in better emergency procedures and contingency plans and has given the impetus for better planning and service delivery.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

Plans for future periods

a. FUTURE DEVELOPMENTS

In September 2018 the Trust launched its strategy for the next five years where the Trust would be "Inspiring Active Lifestyles". The strategy is clear in that we are moving from just helping people keep fit but we are playing a key role in improving the health and wellbeing of the communities we serve. Inactivity is the biggest killer in this country and by giving the people of Northampton varied and high quality opportunities to get active we are not only improving their lives but will, in turn, be reducing the burden on other public services. To achieve our ambition, a key outcome is to improve and expand the range of facilities and activities on offer. Full details of our Strategy is available at <http://www.trilogyleisure.co.uk/about>.

FUNDS HELD AS CUSTODIAN

There are no funds held as Custodian.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the company's Equal opportunities policy, the company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the company's offices.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Unity Leisure 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

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 company's auditor is 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 company's auditor is aware of that information.

This report was approved by the Trustees and signed on their behalf by:


.....
C J Holmes
Trustee

Date:

UNITY LEISURE

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY LEISURE

OPINION

We have audited the financial statements of Unity Leisure (the 'charitable company') for the year ended 31 March 2020 set out on pages 13 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY LEISURE

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

UNITY LEISURE

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY LEISURE

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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY LEISURE

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditor's 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Rebecca Hughes BSc (Hons) FCCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 27 October 2020

MHA MacIntyre Hudson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

UNITY LEISURE

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**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:					
Charitable activities	2	6,684,523	-	6,684,523	6,637,905
Other trading activities	3	21	-	21	-
Other income	4	<u>35,881</u>	<u>88,014</u>	<u>123,895</u>	<u>141,127</u>
TOTAL INCOME		<u>6,720,425</u>	<u>88,014</u>	<u>6,808,439</u>	<u>6,779,032</u>
EXPENDITURE ON:					
Charitable activities	5	<u>6,663,578</u>	<u>88,014</u>	<u>6,751,592</u>	<u>6,876,707</u>
TOTAL EXPENDITURE		<u>6,663,578</u>	<u>88,014</u>	<u>6,751,592</u>	<u>6,876,707</u>
NET INCOME/(EXPENDITURE) BEFORE PENSION SCHEME EXPENDITURE AND OTHER RECOGNISED GAINS AND LOSSES					
Defined benefit pension scheme expenditure	5	<u>56,847</u> <u>(187,000)</u>	-	<u>56,847</u> <u>(187,000)</u>	(97,675) <u>(198,000)</u>
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>(130,153)</u>	-	<u>(130,153)</u>	<u>(295,675)</u>
Actuarial gains on defined benefit pension schemes	19	<u>1,031,000</u>	-	<u>1,031,000</u>	<u>482,000</u>
NET MOVEMENT IN FUNDS		<u>900,847</u>	-	<u>900,847</u>	<u>186,325</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>1,030,859</u>	-	<u>1,030,859</u>	<u>844,534</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,931,706</u>	-	<u>1,931,706</u>	<u>1,030,859</u>

The notes on pages 18 to 40 form part of these financial statements.

UNITY LEISURE

(A company limited by guarantee)
REGISTERED NUMBER: 07555631

**BALANCE SHEET
AS AT 31 MARCH 2020**

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Intangible assets	9		15,079		19,002
Tangible assets	10		<u>1,531,934</u>		<u>1,763,303</u>
			1,547,013		1,782,305
CURRENT ASSETS					
Stocks	11	39,024		40,792	
Debtors	12	276,293		321,058	
Cash at bank and in hand		<u>478,132</u>		<u>275,662</u>	
		793,449		637,512	
CREDITORS: amounts falling due within one year	13	<u>(611,331)</u>		<u>(682,966)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>182,118</u>		<u>(45,454)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,729,131		1,736,851
CREDITORS: amounts falling due after more than one year	14		<u>(346,425)</u>		<u>(410,992)</u>
NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			1,382,706		1,325,859
Defined benefit pension scheme asset/(liability)	19		<u>549,000</u>		<u>(295,000)</u>
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>1,931,706</u>		<u>1,030,859</u>
CHARITY FUNDS					
Unrestricted funds:					
Unrestricted funds excluding pension asset/(liability)		1,382,706		1,325,859	
Pension reserve		<u>549,000</u>		<u>(295,000)</u>	
Total unrestricted funds			<u>1,931,706</u>		<u>1,030,859</u>
TOTAL FUNDS			<u>1,931,706</u>		<u>1,030,859</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

UNITY LEISURE

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BALANCE SHEET (continued)
AS AT 31 MARCH 2020

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

.....
C J Holmes

Date:

The notes on pages 18 to 40 form part of these financial statements.

UNITY LEISURE**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>565,344</u>	<u>332,632</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	752
Purchase of tangible fixed assets		<u>(207,164)</u>	<u>(439,059)</u>
Net cash used in investing activities		<u>(207,164)</u>	<u>(438,307)</u>
Cash flows from financing activities:			
Repayments of borrowings		(60,000)	(60,000)
Cash outflows from new borrowing		<u>(95,710)</u>	<u>(72,934)</u>
Net cash used in financing activities		<u>(155,710)</u>	<u>(132,934)</u>
Change in cash and cash equivalents in the year		202,470	(238,609)
Cash and cash equivalents brought forward		<u>275,662</u>	<u>514,271</u>
Cash and cash equivalents carried forward	18	<u><u>478,132</u></u>	<u><u>275,662</u></u>

The notes on pages 18 to 40 form part of these financial statements.

UNITY LEISURE

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**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020**

	As at 1 April 2019 £	Cash flows £	As at 31 March 2020 £
Cash at bank and in hand	275,662	202,470	478,132
Debt due within one year	(272,536)	91,143	(181,393)
Debt due after more than one year	(420,992)	64,563	(346,425)
	<u>(407,866)</u>	<u>358,180</u>	<u>(49,686)</u>

UNITY LEISURE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Unity Leisure 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.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the charitable company's operations. In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

The Trustees have not identified any further material uncertainties that may cast significant doubt about the ability of the charitable company to continue as a going concern. The charitable company's business activities, together with the factors likely to affect its future development, performance and position, its cash flows and liquidity position have been assessed. The charitable company has sufficient financial resources together with long term contracts for all of its six trading centres. The Trustees understand that the transactions that are required to be placed in our financial statements in relation to our pension fund are prepared in accordance with assumptions set by FRS 102 and produce a materially different set of figures than those produced by the pensions fund actuary for the purpose of calculating our actual share of assets and liabilities as well as those used to assess contribution levels. The Trustees also understand that, in accordance with the laws and regulations surrounding the operation of the pension fund, the recovery of any difference between the assets and liabilities on the fund will be agreed and set at each triennial valuation, the last of which took place with effect from 1 July 2017, and are based on a 20 year recovery period. As a consequence, the Trustees believe that the charitable company is well placed to manage its business risk successfully.

Based on these assessments and having regard to the resources available to the charitable company, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

UNITY LEISURE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Income

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

Membership fees

Membership fees are amounts payable to Unity Leisure on a monthly basis for usage of the leisure facilities. Details of the various membership categories and the benefits they offer can be found on our website at www.trilogyleisure.co.uk.

Centre fees

Centre fees are amounts payable to Unity Leisure on a visit-by-visit basis for usage of the leisure facilities. Details of opening times, activity tables and charges are all available on our website.

Management fees

Management fees are the fees paid by Northampton Borough Council for the operation of the facilities and the provision of a Sport and Play Development service.

Grants receivable

Grants are accounted for when conditions to entitlement have been met.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.5 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	5 years
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1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property improvements	-	5 - 25 years
Plant and machinery	-	5 - 10 years
Motor vehicles	-	5 years
Office equipment, fixtures and fittings	-	5 - 10 years
Computer equipment	-	5 - 8 years
Sports equipment	-	5 - 7 years

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.10 Stock and work in progress

Stocks and work in progress 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.

1.11 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.

1.12 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.

1.13 Liabilities and provisions

Liabilities 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. Provisions are measured at the best estimate of the amounts required to settle 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 within interest payable and similar charges.

1.14 Financial instruments

The company 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.

1.15 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2020.

1.16 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 company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.17 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the defined benefit pension scheme depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension asset or liability.

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Membership fees	4,459,899	-	4,459,899	4,388,370
Centre fees	1,573,569	-	1,573,569	1,597,733
Sales	594,513	-	594,513	617,514
Commission	4,477	-	4,477	6,511
Miscellaneous income	52,065	-	52,065	27,025
Interest receivable	-	-	-	752
	<u>6,684,523</u>	<u>-</u>	<u>6,684,523</u>	<u>6,637,905</u>
Total 2019	<u>6,637,905</u>	<u>-</u>	<u>6,637,905</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

INCOME FROM CHARITABLE ACTIVITIES - PRIOR YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Membership fees	4,388,370	-	4,388,370	4,218,509
Centre fees	1,597,733	-	1,597,733	1,663,532
Sales	617,514	-	617,514	610,411
Commission	6,511	-	6,511	3,179
Miscellaneous income	27,025	-	27,025	102,565
Interest receivable	752	-	752	702
Total 2019	<u>6,637,905</u>	<u>-</u>	<u>6,637,905</u>	<u>6,598,898</u>
Total 2018	<u>6,559,498</u>	<u>39,400</u>	<u>6,598,898</u>	

3. FUNDRAISING INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fundraising	<u>21</u>	<u>-</u>	<u>21</u>	<u>-</u>

4. OTHER INCOMING RESOURCES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Kings Heath active England project	5,311	-	5,311	5,134
Street football project	-	88,014	88,014	106,048
Cinema	1,054	-	1,054	1,245
Play and sport development	11,321	-	11,321	10,334
Inspired coaching	18,195	-	18,195	18,366
	<u>35,881</u>	<u>88,014</u>	<u>123,895</u>	<u>141,127</u>
Total 2019	<u>35,079</u>	<u>106,048</u>	<u>141,127</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

OTHER INCOMING RESOURCES - PRIOR YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Street football project	-	106,048	106,048	20,000
Cinema	1,245	-	1,245	811
Play and sport development	10,334	-	10,334	-
Inspired coaching	18,366	-	18,366	-
Kings Heath active England project	5,134	-	5,134	-
Head office	-	-	-	7,716
Total 2019	<u>35,079</u>	<u>106,048</u>	<u>141,127</u>	<u>28,527</u>
Total 2018	<u>8,527</u>	<u>20,000</u>	<u>28,527</u>	

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Operational staff costs	3,033,602	82,479	3,116,081	3,204,766
Purchases	1,835,458	5,535	1,840,993	1,841,447
Staff costs - HQ staff costs	849,020	-	849,020	861,079
Bank charges	17,816	-	17,816	12,520
Insurance	70,868	-	70,868	67,045
Irrecoverable VAT	191,510	-	191,510	199,881
Other costs	655,297	-	655,297	679,235
Governance costs	10,007	-	10,007	10,734
	<u>6,663,578</u>	<u>88,014</u>	<u>6,751,592</u>	<u>6,876,707</u>
Total 2019	<u>6,770,659</u>	<u>106,048</u>	<u>6,876,707</u>	

In addition to the above expenditure the defined benefit pension scheme movement year on year also includes £187,000 (2019 - £198,000) of amounts charged to the SOFA.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - PRIOR YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	2018 £
Operational staff costs	3,100,589	104,177	3,204,766	3,200,744
Purchases	1,839,576	1,871	1,841,447	1,756,326
Staff costs- HQ staff costs	861,079	-	861,079	691,316
Central support costs	-	-	-	-
Bank charges	12,520	-	12,520	23,455
Insurance	67,045	-	67,045	59,909
Irrecoverable VAT	199,881	-	199,881	192,719
Other costs	679,235	-	679,235	605,101
Governance costs	10,734	-	10,734	25,717
Total 2019	<u>6,770,659</u>	<u>106,048</u>	<u>6,876,707</u>	<u>6,555,287</u>
Total 2018	<u>6,495,887</u>	<u>59,400</u>	<u>6,555,287</u>	

In addition to the above expenditure the defined benefit pension scheme movement year on year in the prior year also includes £198,000 (2018 - £154,000) of amounts charged to the SOFA.

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charity	183,027	178,376
- held under finance leases	255,506	242,980
Amortisation of intangible fixed assets	3,923	4,417
Auditor's remuneration – audit	8,500	8,500
Auditor's remuneration - other services	<u>1,600</u>	<u>1,600</u>

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

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2019 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. STAFF COSTS

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	3,548,788	3,623,949
Social security costs	209,553	220,579
Other pension costs (Note 19)	383,760	401,317
	<u>4,142,101</u>	<u>4,245,845</u>

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

	2020 No.	2019 No.
Management and administration	29	29
Operational	<u>294</u>	<u>305</u>
	<u>323</u>	<u>334</u>

The number of higher paid employees was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £200,000	2	2

The key management personnel of the Charity comprise the Managing Director, the Finance Director, the Director of Business and Performance and the Director of Sport & Health Development Operations. The total employee benefits of key management personnel of the Charity were £378,978 (2019: £403,786).

8. OTHER FINANCE INCOME

	2020 £	2019 £
Interest income on pension scheme assets	275,000	258,000
Interest on pension scheme liabilities	(285,000)	(276,000)
	<u>(10,000)</u>	<u>(18,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. INTANGIBLE FIXED ASSETS

	Software £
Cost	
At 1 April 2019 and 31 March 2020	<u>63,101</u>
Amortisation	
At 1 April 2019	44,099
Charge for the year	<u>3,923</u>
At 31 March 2020	<u>48,022</u>
Carrying amount	
At 31 March 2020	<u><u>15,079</u></u>
At 31 March 2019	<u><u>19,002</u></u>

10. TANGIBLE FIXED ASSETS

	Leasehold property improvements £	Vehicles, plant and equipment £	Total £
Cost			
At 1 April 2019	1,344,048	1,968,321	3,312,369
Additions	<u>50,118</u>	<u>157,046</u>	<u>207,164</u>
At 31 March 2020	<u>1,394,166</u>	<u>2,125,367</u>	<u>3,519,533</u>
Depreciation			
At 1 April 2019	397,386	1,151,680	1,549,066
Charge for the year	<u>154,389</u>	<u>284,144</u>	<u>438,533</u>
At 31 March 2020	<u>551,775</u>	<u>1,435,824</u>	<u>1,987,599</u>
Net book value			
At 31 March 2020	<u><u>842,391</u></u>	<u><u>689,543</u></u>	<u><u>1,531,934</u></u>
At 31 March 2019	<u><u>946,662</u></u>	<u><u>816,641</u></u>	<u><u>1,763,303</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Gym equipment	<u><u>417,352</u></u>	<u><u>616,818</u></u>

UNITY LEISURE

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. STOCKS

	2020 £	2019 £
Raw materials	20,443	20,443
Work in progress	11,491	14,112
Finished goods and goods for resale	7,090	6,237
	<u>39,024</u>	<u>40,792</u>

12. DEBTORS

	2020 £	2019 £
Trade debtors	47,546	37,733
Prepayments and accrued income	228,747	283,325
	<u>276,293</u>	<u>321,058</u>

13. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	30,000	60,000
Net obligations under finance leases and hire purchase contracts	151,393	212,536
Trade creditors	19,604	7,314
Other taxation and social security	75,652	97,609
Other creditors	24,941	21,938
Accruals and deferred income	309,741	283,569
	<u>611,331</u>	<u>682,966</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. CREDITORS: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	-	30,000
Net obligations under finance leases and hire purchase contracts	346,425	380,992
	<u>346,425</u>	<u>410,992</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2020 £	2019 £
Between one and five years	<u>346,425</u>	<u>380,992</u>

Bank loans are secured by a fixed and floating charge over the Company's lease on Danes Camp.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. STATEMENT OF FUNDS**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - all funds	1,325,859	6,720,425	(6,663,578)	-	1,382,706
Pension reserve	(295,000)	-	(187,000)	1,031,000	549,000
	<u>1,030,859</u>	<u>6,720,425</u>	<u>(6,850,578)</u>	<u>1,031,000</u>	<u>1,931,706</u>
Restricted funds					
Restricted Funds - all funds	-	88,014	(88,014)	-	-
Total of funds	<u>1,030,859</u>	<u>6,808,439</u>	<u>(6,938,592)</u>	<u>1,031,000</u>	<u>1,931,706</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
General funds					
General Funds - all funds	1,423,534	6,672,984	(6,770,659)	-	1,325,859
Pension reserve	(579,000)	-	(198,000)	482,000	(295,000)
	<u>844,534</u>	<u>6,672,984</u>	<u>(6,968,659)</u>	<u>482,000</u>	<u>1,030,859</u>
Restricted funds					
Restricted Funds - all funds	-	106,048	(106,048)	-	-

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	1,030,859	6,720,425	(6,850,578)	1,031,000	1,931,706
Restricted funds	-	88,014	(88,014)	-	-
	<u>1,030,859</u>	<u>6,808,439</u>	<u>(6,938,592)</u>	<u>1,031,000</u>	<u>1,931,706</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. STATEMENT OF FUNDS (continued)**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
General funds	844,534	6,672,984	(6,968,659)	482,000	1,030,859
Restricted funds	-	106,048	(106,048)	-	-
	<u>844,534</u>	<u>6,779,032</u>	<u>(7,074,707)</u>	<u>482,000</u>	<u>1,030,859</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Intangible fixed assets	15,079	-	15,079
Tangible fixed assets	1,531,934	-	1,531,934
Current assets	793,449	-	793,449
Creditors due within one year	(611,331)	-	(611,331)
Creditors due in more than one year	(346,425)	-	(346,425)
Provisions for liabilities and charges	549,000	-	549,000
	<u>1,931,706</u>	<u>-</u>	<u>1,931,706</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Intangible fixed assets	19,002	-	19,002
Tangible fixed assets	1,763,303	-	1,763,303
Current assets	637,512	-	637,512
Creditors due within one year	(682,966)	-	(682,966)
Creditors due in more than one year	(410,992)	-	(410,992)
Provisions for liabilities and charges	(295,000)	-	(295,000)
	<u>1,030,859</u>	<u>-</u>	<u>1,030,859</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the year (as per Statement of Financial Activities)	(130,153)	(295,675)
Adjustment for:		
Amortisation charges	3,923	4,417
Depreciation charges	438,533	421,356
Dividends, interest and rents from investments	-	(752)
Defined benefit pension scheme movements	187,000	198,000
Decrease in stocks	1,768	15,359
(Increase)/decrease in debtors	44,765	(20,906)
Increase in creditors	<u>19,508</u>	<u>10,833</u>
Net cash provided by operating activities	<u><u>565,344</u></u>	<u><u>332,632</u></u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	<u>478,132</u>	<u>275,662</u>
Total	<u><u>478,132</u></u>	<u><u>275,662</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

19. PENSION COMMITMENTS

The company operates a Defined benefit pension scheme.

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

	2020	2019
Discount rate at 31 March	2.50%	2.65%
Expected return on scheme assets at 31 March	2.50%	2.65%
Future salary increases	0.90%	2.00%
Future pension increases	1.60%	2.50%

The expected return on plan assets is 2.50% which is based on trustees' best estimate of overall rate of return.

Mortality assumptions in relation to life expectancy, it is assumed that a man who has reached pensionable age will continue to live for 21.5 years, a woman for 23.7 years.

A man aged 45 now will continue to live for a further 22.3 years when reached pensionable age, a woman for 25.1 years.

Defined Contribution Pension Scheme

The company operates a defined contribution pension scheme on behalf of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the charitable company. In the year ended 31 March 2020 Unity Leisure made no employer's contributions (2019 £Nil) into the scheme.

Defined Benefit Pension Scheme

The company operates a defined benefit pension scheme.

The charitable company operates a funded defined benefit scheme for the benefit of certain employees in conjunction with a local government defined benefit pension scheme. Entry to the scheme was granted through an Admission Agreement signed by the Pension Administrator, the Transferor (Northampton Borough Council) and the Trust. Under the terms of this agreements the accrued benefits at the time of transfer (1 April 2011) would be treated as fully funded and the contribution rate calculated on this basis. These figures were calculated using the assumptions in place at the time of 31 March 2010 revaluation.

The figures in these accounts have been calculated in accordance with the provision of Financial Reporting Standard 102. This method of calculation uses a different set of assumptions than the actuarial method described above. As such any surplus or deficit from an accounting perspective would not necessarily reflect the actual funding position using the valuation method, For this year's accounts the Trust opted to use a set of bespoke assumptions which have been agreed with the Fund's Actuary; Hyman Robertson LLP. These assumptions reflect better the Trust's circumstances which are subtly different from the main employers in the fund. These assumptions are consistent with the requirements of FRS 102.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. PENSION COMMITMENTS (continued)

The assets of the scheme are administered by trustees in a fund independent from those of the charitable company. Contributions are made both by the employer and employee and are based on a percentage of pensionable pay. In addition the Trust makes a fixed sum payment to pay back any funding deficit. This is based on a 20 year repayment timeframe. In the year ended 31 March 2020 Unity Leisure paid an employers' contribution of £180,000 (2019: £204,000) representing 276.92% (2019: 283.33%) of employee contributions into the Local Government Pension Scheme, which provides members with defined benefits related to pay and service.

Pension costs are assessed in accordance with the advice of a qualified actuary using the projected method. The most recent actuarial valuation of the scheme was at 31 March 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS (continued)

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March 2020 £	Fair value at 31 March 2019 £
Equities	6,415,860	7,543,820
Debt instruments	1,749,780	1,653,440
Property	1,360,940	930,060
Cash	194,420	206,680
Total market value of assets	<u>9,721,000</u>	<u>10,334,000</u>

The actual return on scheme assets was £663,000 (2019 - £708,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2020 £	2019 £
Current service cost	(357,000)	(384,000)
Interest on obligation	(285,000)	(276,000)
Expected return on scheme assets	<u>275,000</u>	<u>258,000</u>
Total	<u>(367,000)</u>	<u>(402,000)</u>

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

	2020 £	2019 £
Opening defined benefit obligation	10,629,000	10,084,000
Current service cost	357,000	384,000
Interest cost	285,000	276,000
Contributions by scheme participants	65,000	72,000
Actuarial gains	(1,969,000)	(32,000)
Benefits paid	<u>(195,000)</u>	<u>(155,000)</u>
Closing defined benefit obligation	<u>9,172,000</u>	<u>10,629,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. PENSION COMMITMENTS (continued)

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

	2020 £	2019 £
Opening fair value of scheme assets	10,334,000	9,505,000
Expected return on assets	275,000	258,000
Actuarial gains and (losses)	(938,000)	450,000
Contributions by employer	180,000	204,000
Contributions by scheme participants	65,000	72,000
Benefits paid	<u>(195,000)</u>	<u>(155,000)</u>
	<u>9,721,000</u>	<u>10,334,000</u>

The company expects to contribute £NIL to its Defined benefit pension scheme in 2021.

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

	2020	2019
Equity	66.00%	73.00%
Bonds	18.00%	16.00%
Property	14.00%	9.00%
Cash	2.00%	2.00%

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. PENSION COMMITMENTS (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2020	2019	2018	2017	2016
	£	£	£	£	£
Defined benefit obligation	(9,172,000)	(10,629,000)	(10,084,000)	(8,733,000)	(6,278,000)
Scheme assets	<u>9,721,000</u>	<u>10,334,000</u>	<u>9,505,000</u>	<u>9,139,000</u>	<u>6,861,000</u>
Surplus/(deficit)	<u>549,000</u>	<u>(295,000)</u>	<u>(579,000)</u>	<u>406,000</u>	<u>583,000</u>
Experience adjustments on scheme liabilities	1,969,000	32,000	(794,000)	(2,093,000)	10,000
Experience adjustments on scheme assets	<u>(938,000)</u>	<u>450,000</u>	<u>(37,000)</u>	<u>1,787,000</u>	<u>(199,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

20. OPERATING LEASE COMMITMENTS

At 31 March 2020 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts payable:		
Within 1 year	92,000	93,848
Between 1 and 5 years	368,000	368,000
After more than 5 years	<u>106,750</u>	<u>182,500</u>
Total	<u>566,750</u>	<u>644,348</u>

Northampton Borough Council provided the land and leisure centres at Mounts Baths and Danes Camp Centre for the use by the charity to operate sports centres, rent free, throughout the year and previous year. The land and buildings were provided under operating leases to 2041 respectively.

The land and buildings of Lings Forum was provided by Northampton Borough Council, rent free, under a service agreement.

The land and buildings of Duston Sports Centre was provided by Duston Parish Council, rent free, under an operating lease to 2027.

The land and buildings of Cripps Recreational Centre was provided by Northampton General Hospital, rent free, under an operating lease to 2025.

The leases of these premises are not capitalised as the charity does not have control over any of the premises due to various restrictions in the leases. Improvements to the sports centres are capitalised and depreciated over the period of the lease.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

21. RELATED PARTY TRANSACTIONS

The charitable company has a funding agreement with Northampton Borough Council to provide leisure facilities within Northampton. Northampton Borough Council is a member of the company.

During the year the Trust made purchases from Northampton Borough Council of £7,879 (2019: £6,594) in relation to various Council provided services. As at 31 March 2020 included within Creditors is an amount of £Nil (2019: £Nil) owing to the Council. Sales were made to Northampton Borough Council of £59,222 (2019: £101,914). As at 31 March 2020 included within debtors is an amount of £1,107 (2019: £500) owed by the Council.

In 2015/16, Unity Leisure borrowed £300,000 from Northampton Borough Council. The amount is repayable within 5 years. The Trust repaid £60,000 (2019: £60,000) in the year leaving £30,000 (2019: £90,000) to be repaid. This amount has been included within Creditors falling due within and after one year.

During the year the Trust made purchases from Northampton General Hospital, a member of the company of £42,639 (2019: £73,063) in relation to utility recharges in respect of the Cripps Recreational Centre. As at 31 March 2020 included within Creditors is an amount of £Nil (2019: £35,178) owing to Northampton General Hospital. Sales were made to Northampton General Hospital of £710 (2019: £588). As at 31 March 2020 included within debtors is an amount of £Nil (2019: £Nil) owed by Northampton General Hospital.

During the year the company made sales to Age UK Northamptonshire, a member of the company, of £3,910 (2019: £Nil). As at 31 March 2020 included within debtors is an amount of £329 (2019: £3) owed by Age UK Northampton.

During the year the company made purchases and sales with University of Northampton, a member of the company, of £1,482 (2019: £Nil) and £8,288 (2019: £25,506) respectively. As at 31 March 2020 included within debtors is an amount of £Nil (2019: £Nil) owed by University of Northampton.

During the year the company made sales to Northamptonshire Sport, a member of the company, of £1,517 (2019: £1,000). As at 31 March 2020 included within debtors is an amount of £27 (2019: £Nil) owed to Northamptonshire Sport.

As detailed in note 20 the land and premises used by the charity in the operation of sports centres are provided to the charity by the following members; Northampton Borough Council, Duston Parish Council and Northampton General Hospital, under operating leases at no charge to the charity.

During the year purchases of £1,513 (2019: £Nil) were made from a company in which D Iles is a director. The appointment of this company was made after ensuring the charges levied represented good value for money. An amount of £Nil (2019: £Nil) was owed at the year end.

During the year purchases of £7,900 (2019: £8,436) were made from a company in which A Riley is a director. The appointment of this company was made after ensuring the charges levied represented good value for money. An amount of £Nil (2019: £Nil) was owed at the year end.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

21. RELATED PARTY TRANSACTIONS (continued)

During the year purchases of £Nil (2019: £10,200) were made from a company in which W Pope is a director. The appointment of this company was made after ensuring the charges levied represented good value for money. An amount of £Nil (2019: £Nil) was owed at the year end.