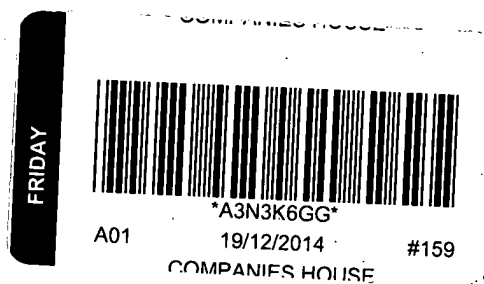


CH

Charity Registration No. 1094247

Company Registration No. 04304674 (England and Wales)

**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**





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

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**Trustees**

Mr A Thompson (Chairman)  
Mr M Atkinson (Vice Chairman)  
Mrs V Cottam MBE  
Mr N H Walker OBE  
Mr G Lawrence  
Mr A Smithson  
Mr S H McCombe  
Mr M Pomfret

**Secretary**

Mr P C Vibrans

**Charity number**

1094247

**Company number**

04304674

**Registered office**

4th Floor, Landmark House  
Station Road  
Cheadle Hulme  
Cheadle  
Cheshire  
SK8 7BS

**Auditors**

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



# **STOCKPORT SPORTS TRUST**

## **TRADING AS LIFE LEISURE**

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Cash flow statement	11
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**STOCKPORT SPORTS TRUST  
TRADING AS LIFE LEISURE  
CHAIRMAN'S REPORT**

***FOR THE YEAR ENDED 31 MARCH 2014***

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As I reflect on this year's performance and achievements the most important highlight for me has been the closer integration of staff at all levels. The Board had set themselves a target of being more engaged with the senior management team. We achieved this through a number of specific organised events including a LifeLEISURE Summit Day, a Board Dinner and an excellent Awards Day, which was attended by over 200 staff. It is hugely important to me that the staff realise they are valued and important members of the team, delivering excellent service. Whatever criteria are used to measure the qualities and performance of our staff, the conclusion is the same, and that is that great businesses have great staff and I am incredibly proud to report we have some of the best staff in the business.

Looking forward to the future I have little doubt that LifeLEISURE could soon be operating outside the Stockport area. Our operating success is not going un-noticed by prospective clients and this has been demonstrated even further by delivering an exceptionally good financial turnaround in our Grand Central Facility. I look forward to many new ventures and new contracts for LifeLEISURE over the next few years, with our eyes firmly set on expansion and growth. This is an exciting time for all our staff and business partners as we begin a new chapter.

Our success is due to a broad team effort and I would like to take this opportunity to thank all of our business partners that make such a huge contribution to this. I feel I must single out our largest stake holder, Stockport Metropolitan Borough Council, as I thank them for their continued support through what is proving to be an incredibly challenging time for them, as they navigate their way through local authority funding reductions.

Finally, I would like to thank all our staff and customers for their incredible support. Thank you also to my fellow directors and trustees who make this journey so personally rewarding for me. The multiple skills and business experience that they bring to their roles makes my life so much easier. We all look forward to the LifeLEISURE story continuing and new chapters being written.

**Alwin Thompson**  
Chairman



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

**FOR THE YEAR ENDED 31 MARCH 2014**

The trustees present their report and accounts for the year ended 31 March 2014.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

## **Objectives and activities**

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

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

In setting our objectives for the year and planning our activities, the Board have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Trust relies on 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 Stockport Metropolitan Borough, in particular those on low incomes.

## **Achievements and performance**

It has been another busy and successful year for Life Leisure, resulting in a surplus for the year of £223,738 before FRS 17 pension adjustments. Our membership base has stabilised, in spite of increasing competition in the Stockport area, and we have invested in new fitness equipment for the facilities at Cheadle and Romiley. In addition our state-of-the-art 23 acre fitness, football, tennis and conference facility at Stockport Sports Village in Woodley has completed its first full year of trading and brought in a healthy surplus to the existing core business.

Our swimming programme has continued to excel in 2013/14 with a 21% increase in income. Regarded as a model of best practice in its attitude, programme and execution and cornering nearly 100% of the local market, we have one of the highest Key Stage 2 attainment levels and feature in the top 10 performing local authorities in the country and the highest in the North West. The year culminated in 3 Silver medals at the Commonwealth Games for the performance programme.

Our Sport Development activity has also had a successful year. Key achievements include delivering strong voluntary sector support with clubs, coaches and volunteers accessing the highest ever level of grant aid and development support. In addition our community delivery gained external recognition and financial support for the first time this year.



**STOCKPORT SPORTS TRUST  
TRADING AS LIFE LEISURE  
TRUSTEES' REPORT – STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2014***

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**Financial review**

A summary of the year's results can be found on the Statement of Financial Activities on page 9 of the accounts.

In the year 31 March, total incoming resources amounted to £11,521,684 compared to £11,015,990 in the previous year. Total resources expended amounted to £11,297,946 (2013: £10,759,575) which resulted in net incoming resources before transfers of £223,738 (2013: £256,415).

**Principal funding sources**

Aside from the Trust's operational turnover of £9.5m (2013 - £8.8m) the principal funding source for the charity is an annual revenue grant from Stockport Metropolitan Borough Council amounting to £1.57m (2013 - £1.68m) along with further grants totalling £0.42m (2013 - £0.5m).

**Plans for the future**

The cuts in grant funding announced as part of the local authority Leisure Review in 2011 will continue to impact over the next two years. Plans for growth, alongside potential budget savings, are being identified and actioned to ensure the continued success of the business over this time.

In consultation with SMBC we are currently investigating alternative funding opportunities for the future to ensure continued delivery of sport, physical and health outcomes in the Stockport area.

Our focus for the immediate future is to encourage more growth within the existing business and to extend our successful Life Leisure brand by pursuing additional contracts outside of Stockport.



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

**FOR THE YEAR ENDED 31 MARCH 2014**

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## **Structure, governance and management**

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

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

Mr A Thompson (Chairman)	
Mr M Atkinson (Vice Chairman)	
Mrs V Cottam MBE	
Mr N H Walker OBE	
Mr G Lawrence	(Appointed 6 March 2014)
Mr A Smithson	
Cllr S Bailey (SMBC Councillor)	(Resigned 28 May 2013)
Mr S H McCombe	
Cllr B Alexander (SMBC Councillor)	(Resigned 28 May 2013)
Mr M Pomfret	
Mr A Stores	(Resigned 24 July 2013)

## **Recruitment and appointment of Directors**

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

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

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

## **Induction and training of Trustees**

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

All new directors are given access to company information including Memorandum and Articles of Association, the Funding Agreement and Partnership Delivery Plan, Annual Reports and Accounts, recent minutes of board meetings, reports to board from senior managers and up to date, in year trading accounts.

The Directors meet every two months as a formal Board of Directors. There are also sub-groups supporting and leading in respect of finance and investments, our partnership working relationship with the council and human resources including the annual appraisal of the Managing Director. Each operates through the Managing Director to the senior management team. Relationships between managers and board members are strong.

## **Organisational structure**

The number of directors shall be not less than three but, unless otherwise determined by ordinary resolution, shall not be subject to any maximum. The senior management team comprising: Managing Director, Finance Director and Chief Operating Officer, attend every bi-monthly Board meeting and present reports to the Board in respect of strategic issues.



# **STOCKPORT SPORTS TRUST**

## **TRADING AS LIFE LEISURE**

### **TRUSTEES' REPORT – GOVERNANCE (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 MARCH 2014***

Day to day responsibility rests with the Managing Director who is supported by the senior management team and the general managers who have direct roles for the smooth running of each of our 15 sports centres and swimming pools.

#### **Related parties**

Stockport Metropolitan Borough Council (SMBC) with whom we work in partnership arrange quarterly strategic meetings between the Trust's Managing Director and a Director responsible for Leisure to deal with issues of common interest.

The Sports Trust also operates 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 site of some seven secondary schools making these available for extensive community use.

As there is a natural affinity with Fitness and Health the charity works with both the NHS Foundation Trust and the Public Health department of SMBC to deliver a number of joint interest schemes.

#### **Risk management**

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

#### **Reserves policy**

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

1. Implications of FRS 17 reporting.
2. To provide the option to enable the company to carry an excess on its liability insurances in order to attract more competitive quotations.
3. To provide for uninsured losses against the Trust, including industrial tribunal awards and associated costs.
4. To contribute to lost income not covered by the funding agreement, to accommodate closure of facilities for development.
5. Loss of income due to competition / trend changes / grant reductions.
6. Replacement and / or renovation of landlord or owned equipment, fixtures and fittings within the Trust.

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

#### **Investment policy**

The Trust has developed a formal investment policy during the year. This identifies surplus funds available for investment in specific projects in the coming year. Any surplus cash is invested across various banking institutions to spread any perceived risk.

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



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

**FOR THE YEAR ENDED 31 MARCH 2014**

**Statement of Trustees' responsibilities**

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

**Disclosure of information to auditors**

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

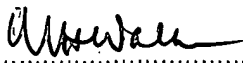
**Auditors**

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

On behalf of the board of trustees

Trustee

Dated: .....



25/1/2014



**STOCKPORT SPORTS TRUST  
TRADING AS LIFE LEISURE  
INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF STOCKPORT SPORTS TRUST**

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We have audited the accounts of Stockport Sports Trust for the year ended 31 March 2014 set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of trustees and auditors**

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of Stockport Sports Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 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 Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.



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

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**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.



**Paul Bradbury (Senior Statutory Auditor)  
for and on behalf of Booth Ainsworth LLP**

**Chartered Accountants**

**Statutory Auditor**

Alpha House  
4 Greek Street  
Stockport  
Cheshire  
SK3 8AB

Dated: 25/11/14.



**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Incoming resources from generated funds</b>						
Activities for generating funds	2	292,514	-	-	292,514	313,782
Investment income	3	16,292	-	-	16,292	11,482
		308,806	-	-	308,806	325,264
Incoming resources from charitable activities	4	10,508,315	-	378,506	10,886,821	10,464,568
Other incoming resources	5	326,057	-	-	326,057	226,158
<b>Total incoming resources</b>		<b>11,143,178</b>	<b>-</b>	<b>378,506</b>	<b>11,521,684</b>	<b>11,015,990</b>
<b>Resources expended</b>						
Costs of generating funds	6					
Fundraising trading: costs of goods sold	2	121,959	-	-	121,959	143,198
<b>Net incoming resources available</b>		<b>11,021,219</b>	<b>-</b>	<b>378,506</b>	<b>11,399,725</b>	<b>10,872,792</b>
<b>Charitable activities</b>						
Costs of charitable activities		10,606,199	-	549,966	11,156,165	10,603,478
Governance costs		19,822	-	-	19,822	12,899
<b>Total resources expended</b>		<b>10,747,980</b>	<b>-</b>	<b>549,966</b>	<b>11,297,946</b>	<b>10,759,575</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>395,198</b>	<b>-</b>	<b>(171,460)</b>	<b>223,738</b>	<b>256,415</b>
Gross transfers between funds		(9,469)	30,000	(20,531)	-	-
<b>Net income/(expenditure) for the year/ Net incoming/(outgoing) resources</b>		<b>385,729</b>	<b>30,000</b>	<b>(191,991)</b>	<b>223,738</b>	<b>256,415</b>
<b>Other recognised gains and losses</b>						
Actuarial gain/(loss) on defined benefit pension schemes		450,000	-	-	450,000	(129,000)
<b>Net movement in funds</b>		<b>835,729</b>	<b>30,000</b>	<b>(191,991)</b>	<b>673,738</b>	<b>127,415</b>
Fund balances at 1 April 2013		453,915	-	524,543	978,458	851,043
<b>Fund balances at 31 March 2014</b>		<b>1,289,644</b>	<b>30,000</b>	<b>332,552</b>	<b>1,652,196</b>	<b>978,458</b>

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



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

**AS AT 31 MARCH 2014**

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	10	1,568,089		1,502,294	
<b>Current assets</b>					
Stocks		35,209		48,954	
Debtors	11	812,654		804,219	
Cash at bank and in hand		2,782,253		1,952,932	
		3,630,116		2,806,105	
<b>Creditors: amounts falling due within one year</b>	12	(2,930,429)		(2,251,448)	
<b>Net current assets</b>		699,687		554,657	
<b>Total assets less current liabilities</b>		2,267,776		2,056,951	
<b>Creditors: amounts falling due after more than one year</b>	13	(33,580)		(46,493)	
<b>Net assets excluding pension liability</b>		2,234,196		2,010,458	
<b>Defined benefit pension liability</b>	14	(582,000)		(1,032,000)	
<b>Net assets</b>		1,652,196		978,458	
<b>Income funds</b>					
Restricted funds	15	332,552		524,543	
Unrestricted funds:					
Designated funds		30,000		-	
Other charitable funds		1,289,644		453,915	
		1,652,196		978,458	

The accounts were approved by the Board on 25.11.2014.



A Thompson (Chairman)  
Trustee

Company Registration No. 04304674



**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £	2013 £
Net cash inflow from operating activities	17	1,261,798	1,262,416
<b>Returns on investments and servicing of finance</b>			
Investment income		16,292	11,482
Net cash inflow from returns on investments and servicing of finance		16,292	11,482
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(432,999)	(803,499)
Net cash outflow from capital expenditure		(432,999)	(803,499)
Net cash inflow before financing		845,091	470,399
<b>Financing</b>			
Capital element of hire purchase and finance lease rentals		(15,770)	8,579
Net cash (outflow)/inflow from financing		(15,770)	8,579
Increase in cash	18	829,321	478,978



**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**1 Accounting policies**

**1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

**1.2 Incoming resources**

Grant income is included in incoming resources when it is receivable.

Grants for specific purposes are credited to individual restricted funds.

All other grant income is credited to unrestricted funds.

Charitable trading income relating to the use of facilities is included in incoming resources when it becomes receivable with the exception of income relating to future periods which is deferred.

Investment income is included when receivable.

Incidental non-charitable trading income is included when earned.

**1.3 Resources expended**

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of VAT where it is not recoverable.

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

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

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

Irrecoverable VAT is calculated quarterly and added back to charitable activities expenditure, and then an annual adjustment in accordance with VAT legislation is calculated and included in the last VAT return of the year.

**1.4 Tangible fixed assets and depreciation**

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

Leasehold property	10-20% Straight line basis
Fixtures, fittings & equipment	20-33 1/3% Straight line basis

Individual fixed assets costing £5,000 or more are capitalised at cost and depreciated.



**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**1 Accounting Policies**

(continued)

**1.5 Leasing and hire purchase commitments**

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

As a condition of the Trust renting the pools and gymnasia from Stockport Metropolitan Borough Council, the council has granted the Trust full use of all fixtures, fittings and equipment. These assets remain the property of the council.

**1.6 Stock**

Stock is valued at the lower of cost and net realisable value.

**1.7 Pensions**

Defined benefits scheme

The trust operates a pension scheme providing benefits based on final pensionable pay. This scheme was closed to new entrants in 2012. The scheme is a local government pension scheme and is administered by the Tameside Metropolitan Borough Council in accordance with the Local Government Pension Scheme Regulations 1997, as amended. It is contracted out of the State Second Pension. The assets of the scheme are held separately from those of the Trust, being invested in a combination of Equities, Bonds, Properties and cash. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using the yield available on long-dated, high quality corporate bonds (measured as the yield on Iboxx Sterling Corporates Index, AA over 15 years). Pension scheme assets are valued at market value at the balance sheet date. The pension scheme deficit is recognised in full on the balance sheet.

Defined contribution scheme

The Charity has recently set up a new pension scheme 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.

**2 Activities for generating funds**

	2014	2013
	£	£
Activities for generating funds	292,514	313,782
Fundraising trading: costs of goods sold	(121,959)	(143,198)
<b>Net Activities for generating funds</b>	<b>170,555</b>	<b>170,584</b>



**STOCKPORT SPORTS TRUST**  
**TRADING AS LIFE LEISURE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**3 Investment income**

	2014 £	2013 £
Interest receivable	<u>16,292</u>	<u>11,482</u>

**4 Incoming resources from charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Grants	1,709,828	282,423	1,992,251	2,207,072
Swimming	2,756,993	-	2,756,993	2,413,539
Sport and recreation	1,328,912	16,885	1,345,797	1,109,351
Health and fitness	4,712,582	79,198	4,791,780	4,734,606
	<u>10,508,315</u>	<u>378,506</u>	<u>10,886,821</u>	<u>10,464,568</u>

**5 Other incoming resources**

	2014 £	2013 £
Other income	<u>326,057</u>	<u>226,158</u>



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**6 Total resources expended**

	Staff costs £	Other costs £	Total 2014 £	Total 2013 £
<b>Costs of generating funds</b>				
Fundraising trading: costs of goods sold	-	121,959	121,959	143,198
<b>Charitable activities</b>				
<u>Costs of charitable activities</u>				
Activities undertaken directly	4,865,407	4,144,800	9,010,207	8,544,088
Support costs	738,630	1,407,328	2,145,958	2,059,390
Total	5,604,037	5,552,128	11,156,165	10,603,478
<b>Governance costs</b>	-	19,822	19,822	12,899
	5,604,037	5,693,909	11,297,946	10,759,575

Governance costs includes payments to the auditors of £8,200 (2013: £8,100) for audit fees.

**7 Activities undertaken directly**

	2014 £	2013 £
Other costs relating to costs of charitable activities comprise:		
Leasing rentals	20,908	21,570
Bad debts	34,160	70,004
Premises	2,815,206	2,402,631
Operation supplies and services	571,437	512,352
Establishment costs	137,454	140,067
Transport	73,142	53,768
Other staff costs	115,113	168,384
Miscellaneous	10,177	5,881
Depreciation	367,203	331,962
Provisions	-	-
	4,144,800	3,703,388



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**8 Support costs**

	2014 £	2013 £
Staff costs	738,630	732,868
Premises, general office and finance	325,721	274,860
Supplies and services	56,457	50,620
Advertising and marketing	201,879	173,697
Insurance	221,226	157,148
Professional and consultancy fees	189,244	186,108
Miscellaneous	15,213	29,179
Unrecovered VAT	397,588	454,910
	<u>2,145,958</u>	<u>2,059,390</u>

**9 Employees**

**Number of employees**

The average monthly number of full and part time employees during the year was:

	2014 Number	2013 Number
Charitable activities	450	454
Management and administration	22	26
	<u>472</u>	<u>480</u>

**Employment costs**

	2014 £	2013 £
Wages and salaries	5,102,165	5,060,072
Social security costs	294,592	304,280
Other pension costs	207,280	209,216
	<u>5,604,037</u>	<u>5,573,568</u>

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

	2014 Number	2013 Number
£60,000 - £69,999	1	-
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
	<u>1</u>	<u>1</u>



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**10 Tangible fixed assets**

	Building improvements £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2013	1,560,045	1,571,856	3,131,901
Additions	19,754	413,245	432,999
<b>At 31 March 2014</b>	<b>1,579,799</b>	<b>1,985,101</b>	<b>3,564,900</b>
<b>Depreciation</b>			
At 1 April 2013	791,919	837,688	1,629,607
Charge for the year	147,588	219,616	367,204
<b>At 31 March 2014</b>	<b>939,507</b>	<b>1,057,304</b>	<b>1,996,811</b>
<b>Net book value</b>			
<b>At 31 March 2014</b>	<b>640,292</b>	<b>927,797</b>	<b>1,568,089</b>
At 31 March 2013	768,126	734,168	1,502,294

Net book value at 31 March 2014 represents fixed assets used for:

Direct charitable purposes:	640,292	927,797	1,568,089
	640,292	927,797	1,568,089
Other purposes:			
Corporate governance	-	-	-
	640,292	927,797	1,568,089

**Finance leases and hire purchase contracts**

The net book value of tangible fixed assets includes £46,493 (2013 - £62,263) in respect of assets held under finance leases or hire purchase contracts. The depreciation charged in respect of such assets amounted to £15,770 (2013 - £12,351).



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<b>11 Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	172,403	471,796
Other debtors	305,314	23,037
Prepayments and accrued income	334,937	309,386
	<u>812,654</u>	<u>804,219</u>

Amounts falling due after more than one year and included in the debtors above are:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	26,526	-
Other debtors	7,823	13,750
	<u>34,349</u>	<u>13,750</u>

<b>12 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	12,913	15,770
Trade creditors	805,652	399,820
Taxes and social security costs	95,684	98,444
Unapplied grants	-	314,970
Other creditors	42,894	55,524
Accruals	1,121,038	634,362
Deferred income	852,248	732,558
	<u>2,930,429</u>	<u>2,251,448</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets concerned.

<b>13 Creditors: amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	<u>33,580</u>	<u>46,493</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets concerned.



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**14 Pension and other post-retirement benefit commitments**

**Employee benefit obligations**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded obligations	9,931,000	9,301,000
Fair value of plan assets	(9,349,000)	(8,269,000)
	<u>582,000</u>	<u>1,032,000</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
<b>Included in staff costs within total resources expended</b>		
Current service cost	246,000	229,000
Losses (gains) on curtailments and settlements	-	5,000
	<u>246,000</u>	<u>234,000</u>
<b>Net pension finance costs included within total resources expended</b>		
Interest on obligation	423,000	387,000
Expected return on pension scheme assets	(425,000)	(401,000)
	<u>(2,000)</u>	<u>(14,000)</u>
<b>Total</b>	<u>244,000</u>	<u>220,000</u>
 Actual return on plan assets	 <u>943,000</u>	 <u>1,037,000</u>



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**14 Pension and other post-retirement benefit commitments**

**(continued)**

**Included with other recognised gains and losses:**

	<b>Defined benefit pension plans</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Actual return less expected return on pension scheme assets	518,000	636,000
Experience gains and losses arising on scheme liabilities	(16,000)	(750,000)
	<u>502,000</u>	<u>(114,000)</u>

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

	<b>Defined benefit pension plans</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	9,301,000	7,981,000
Current service cost	246,000	229,000
Interest cost	423,000	387,000
Contributions by scheme participants	79,000	82,000
Actuarial losses (gains)	16,000	750,000
Losses (gains) on curtailments	-	5,000
Benefits paid	(134,000)	(133,000)
<b>Total</b>	<u><b>9,931,000</b></u>	<u><b>9,301,000</b></u>

**Changes in fair value of plan assets are as follows:**

	<b>Defined benefit pension plans</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening fair value of plan assets	8,269,000	7,078,000
Expected return	425,000	401,000
Actuarial losses	518,000	636,000
Contributions by employer	192,000	205,000
Contributions from scheme participants	79,000	82,000
Benefits paid	(134,000)	(133,000)
	<u><b>9,349,000</b></u>	<u><b>8,269,000</b></u>



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**14 Pension and other post-retirement benefit commitments**

**(continued)**

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

	2014	2013
	%	%
Equities	72%	72%
Bonds	17%	17%
Property	6%	5%
Other assets	5%	6%

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

	2014	2013
	%	%
Discount rate at 31 March 2014	4.30	4.50
Expected return on plan assets at 31 March 2014	4.73	4.03
Future salary increases	2.80	3.80
Future pension increases	2.80	2.80

Salary increases are assumed to be 1% p.a. until 31 March 2015 reverting to the long term assumption shown thereafter.

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

Defined benefit pension plans

	2014	2013	2012	2011	2010
	£	£	£	£	£
Defined benefit obligation	(9,931,000)	(9,301,000)	(7,981,000)	(3,713,000)	(1,639,000)
Plan assets	9,349,000	8,269,000	7,078,000	3,775,000	(1,441,000)
Surplus/(deficit)	(582,000)	(1,032,000)	(903,000)	62,000	(3,080,000)
Experience adjustments on plan liabilities	(16,000)	(750,000)	(639,000)	84,000	1,337,000
Experience adjustments on plan assets	518,000	636,000	(359,000)	(860,000)	(1,907,000)



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**15 Restricted funds**

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

	Balance at 1 April 2013	Movement in funds		Transfers	Balance at 31 March 2014
		Net Incoming resources	Resources expended		
	£	£	£	£	£
Avondale Lottery Scheme	130,150	-	-	(130,150)	-
British Swimming Grant	(38,329)	25,000	(24,510)	37,839	-
Earmarked Stockport MBC Funding	361,186	-	(117,684)	-	<b>243,502</b>
EOP/PARIS	65,811	207,359	(204,252)	-	<b>68,918</b>
Community Coaches	2,654	5,160	(65,552)	57,738	-
Sundry	3,071	140,989	(137,970)	14,042	<b>20,132</b>
	<u>524,543</u>	<u>378,508</u>	<u>(549,968)</u>	<u>(20,531)</u>	<u><b>332,552</b></u>

Lottery funding was secured in 1996 for an extension to the facilities on offer at Avondale. In 2011 this site was threatened with closure by SMBC as the cost of substantial outstanding repairs meant that the whole site at Avondale was no longer financially viable. The decision to close the site was subsequently reversed and additional funding was sourced to update the facility. As a result of this the area of the site which had been funded by Lottery monies was redeveloped into a health hub, to provide enhanced and more relevant facilities to the local community.

The British Swimming Fund provides funding for elite swimming coaching. Due to a performance review of British Swimming and a change of personnel, funding for this activity ceased during the year.

The Earmarked funding for Stockport MBC is in respect of capital projects, the last funding being made available in 2011-12.

EOP/PARIS is an exercise on prescription scheme delivered in partnership with the Public Health department in Stockport (formerly known as NHS Stockport). Grant aid supports the staff infrastructure of the scheme. Patients with appropriate medical conditions are referred to the scheme to support the better management of their condition through physical activity. Referral to the scheme is via their GP or other health professionals.

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



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**16 Analysis of net assets between funds**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2014 are represented by:				
Tangible fixed assets	1,317,747	-	250,342	1,568,089
Current assets	3,517,906	30,000	82,210	3,630,116
Creditors: amounts falling due within one year	(2,930,429)	-	-	(2,930,429)
Creditors: amounts falling due after more than one year	(33,580)	-	-	(33,580)
Defined benefit pension liability	(582,000)	-	-	(582,000)
	<u>1,289,644</u>	<u>30,000</u>	<u>332,552</u>	<u>1,652,196</u>

**17 Net cash inflow from operating activities**

	2014 £	2013 £
Reconciliation to changes in resources		
Changes in resources before revaluations	223,738	256,415
Investment income	(16,292)	(11,482)
Depreciation of tangible fixed assets	367,204	331,962
Decrease/(increase) in stocks	13,745	(16,752)
(Increase)/decrease in debtors	(8,435)	143,619
Increase in creditors	681,838	558,654
	<u>1,261,798</u>	<u>1,262,416</u>

**18 Reconciliation of net cash flow to movement in net funds**

	2014 £	2013 £
Increase in cash	829,321	478,978
Capital element of hire purchase and finance lease rentals	15,770	(52,215)
Movement in net funds	845,091	426,763
Net funds at 1 April 2013	1,890,669	1,463,906
Net funds at 31 March 2014	<u>2,735,760</u>	<u>1,890,669</u>



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**19 Analysis of net cash less debt**

	At 1 April 2013 £	Cash flow £	Non-cash changes £	At 31 March 2014 £
Cash at bank and in hand	1,952,932	829,321	-	2,782,253
Hire purchase and finance leases	(62,263)	15,770	-	(46,493)
	<u>1,890,669</u>	<u>845,091</u>	<u>-</u>	<u>2,735,760</u>

**20 Commitments under operating leases**

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within one year	65,000	32,000	7,240	9,438
Between two and five years	20,000	85,000	82,281	66,921
In over five years	816,865	777,411	-	-
	<u>901,865</u>	<u>894,411</u>	<u>89,521</u>	<u>76,359</u>

**21 Related parties**

During the year the Trust was provided with services amounting to £5,800 (2013 - £nil) from Smithsons Solicitors, an entity in which A Smithson is a partner.