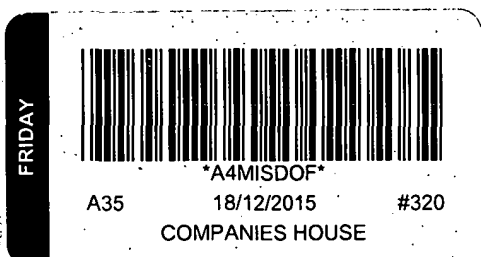


Charity Registration No. 1094247

Company Registration No. 04304674 (England and Wales)

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015



STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

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

Secretary

Mr P C Vibrans

Charity number

1094247

Company number

04304674

Registered office



4th Floor Landmark House
Station Road
Cheadle Hulme
Stockport
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 2015

It has been an exciting period since becoming Chairman in July 2015. Firstly, I would like to thank Alwin Thompson for his vision and leadership, and for handing the reins to me with a strong team in place right across the organisation. Alwin's vision of having the Board more engaged with the senior team is fully embedded across the sites. I am very fortunate to have such a strong Board, and would like to thank you all for the outstanding support you provide to both myself and the organisation. My first duty as Chairman was to attend the annual staff Awards, our biggest to date. The energy and commitment from all the staff, both to the organisation and each other, was simply fantastic. It is a privilege for me to be Chairman of an organisation which operates on the W.A.T.C.H. Principles of (Be a) Winner, Authenticity, Together, Caring and Happy. Thank you to everyone who works for Life Leisure. Your role is vital and appreciated.

Looking forward, it is exciting to see so many initiatives come alive across the organisation, thanks to our pioneering staff who are prepared to make a range of sports and activities available to the whole borough of Stockport. Examples include I Wish I'd Tried, offering over 50 sessions a week for inactive adults over 25 years of age. Thanks go to Sport England Lottery Funding and Public Health Stockport for helping to make this scheme accessible and affordable.

Secondly, actiLIFE is a cutting-edge programme, using an actiPED, accelerometer technology linked with an online portal that incorporates a remote coaching service for inactive people. This project achieved recognition at the UKactive Flame Awards in 2014. The capital investment to develop this technology has been directly funded by Life Leisure, however we have Sport England and Sporta to thank for supporting the delivery of the current pioneering corporate well-being project.

Finally, legacies from the London 2012 Olympics continue to grow and develop, in particular the Big Event Series which is going from strength to strength, with the Stockport 10K now becoming a feature in the local and national running calendar, as well as our fantastic partnership with British Weight Lifting and Arnies, a powerlifting club for athletes with disabilities.

We are delighted to have the continued support and commitment of many business partners. This support makes the difference in us being able to continue to run and develop a range of services in a variety of sports and activities across all our sites. This support and commitment has contributed to our recent local recognition as Best Not-For-Profit Organisation in Stockport, alongside national recognition for Avondale as runner-up for Best Rehabilitation Facility 2015 and Houldsworth Village as runner-up for Best Leisure Trust Facility 2015. I must, however, extend a particular thank you to our biggest stakeholder, Stockport Metropolitan Borough Council. As the budget cuts in local authority funding continue, the support and dialogue from the team is vital to be able to continue to provide such a high level of service to everyone who uses the sites across the borough.

Finally, I want to recognise our customers. From our gym members, to our casual visitors accessing the available sports programmes, and of course, to the thousands of children who take part in our swimming and sports development programmes every week. Your commitment, feedback, and support of each other make Life Leisure a fantastic environment, and I am proud to be your Chairman. I look forward to hearing continued inspirational stories of personal achievements being reached by both staff and fellow residents of the borough of Stockport.



Stewart McCombe

Chairman

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

FOR THE YEAR ENDED 31 MARCH 2015

The trustees present their report and accounts for the year ended 31 March 2015.

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 has considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Trust relies on grants and management fees 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 £187,807 before FRS 17 pension adjustments. Our membership base remains stable, in spite of increasing competition in the Stockport area.

During the year we have invested £0.5m in our facilities, principally at Hazel Grove and Houldsworth Village. Hazel Grove has benefited from a brand new health suite, as well as an extensive refurbishment of the changing rooms and reception area. At Houldsworth Village we have remodelled the facility to include a large strength and functional training performance zone with specialist weightlifting equipment donated as part of the London 2012 legacy.

Our swimming programme surpassed its financial performance for the tenth consecutive year in 2014-15 with a further 6% increase in income plus an expenditure budget underspend. Our teaching and coaching programme remains a model of best practice nationally in terms of team spirit, attitude, programme, execution and performance. We still have one of the highest Key Stage 2 local authority school attainment levels in the country and the highest in the North West. The competitive swimming season culminated in our first ever synchronised swimming England junior selection, a European Games Gold, a World Championship finalist, 3 World Junior Medals and our performance programme topped the British Championship medal table and were crowned 2015 British Champions.

STOCKPORT SPORTS TRUST

TRADING AS LIFE LEISURE

TRUSTEES' REPORT – STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Achievements and performance - continued

Our Sports Development activity has had another successful year. We have continued to develop a range of activities that suits the needs of our local residents through many projects including the new Sport England funded 'I Wish I'd Tried' programme aimed at inactive adults, and ActiLIFE which can remotely coach adults to increase their activity levels. In addition to this, we have also engaged with large numbers of young people via our community work, Doorstep Sports Clubs and voluntary sector support offer.

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 ended 31 March 2015, total incoming resources amounted to £11,622,347 compared to £11,521,684 in the previous year. Total resources expended amounted to £11,434,540 (2014: £11,297,946) which resulted in net incoming resources before transfers of £187,807 (2014: £223,738).

Principal funding sources

Aside from the Trust's operational turnover of £9.7m (2014: £9.5m) the principal funding source for the charity is an annual management fee from Stockport Metropolitan Borough Council (SMBC) amounting to £1.47m (2014: £1.57m) along with further grants and management fees totalling £0.46m (2014: £0.42m).

Plans for the future

The cuts in funding announced as part of the local authority Leisure Review in 2011 will continue to impact in 2015-16. In consultation with SMBC we are currently also investigating alternative funding opportunities for the future as part of Investing In Stockport, to ensure continued and sustainable delivery of sport, physical and health outcomes in the Stockport area.

Plans for growth, alongside potential budget savings, have been identified by both parties to ensure the continued success of the business over this time.

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 2015

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 S H McCombe (Chairman)
Mr M Atkinson (Vice Chairman)
Mrs V Cottam MBE
Mr N H Walker OBE
Mr A Smithson
Mr M Pomfret
Mr G Lawrence
Mr A Thompson (Resigned 1 July 2015)

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 Life Leisure 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 2015

Day to day responsibility rests with the Managing Director who is supported by the senior management team and the senior business 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 the Director responsible for Leisure to deal with issues of common interest. The Trust also attends quarterly meetings of SMBC's Funding Committee to discuss financial and operational performance.

The Trust operates closely with secondary and primary education providing swimming instruction to all but a handful of Stockport's many primary schools and operating the sports and leisure facilities on the site of five 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 and management fee reductions.
6. Replacement and / or renovation of landlord or owned equipment, fixtures and fittings within the Trust.

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

Investment policy

The Trust has a formal investment policy in place. This identifies surplus funds available for investment in specific projects in the coming year.

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

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

FOR THE YEAR ENDED 31 MARCH 2015

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



Mr S H McCombe (Chairman)

Trustee

Dated: 15/12/15

STOCKPORT SPORTS TRUST

TRADING AS LIFE LEISURE

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STOCKPORT SPORTS TRUST

We have audited the accounts of Stockport Sports Trust for the year ended 31 March 2015 set out on pages 9 to 25. 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 2015 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**

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.

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

Booth Ainsworth LLP

**Chartered Accountants
Statutory Auditor**
Alpha House
4 Greek Street
Stockport
Cheshire
SK3 8AB

Dated: 15/12/15.

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2015 £	Total 2014 £
<u>Incoming resources from generated funds</u>						
Activities for generating funds	2	258,961	-	157	259,118	292,514
Investment income	3	24,212	-	-	24,212	16,292
		283,173	-	157	283,330	308,806
Incoming resources from charitable activities	4	10,592,361	-	415,743	11,008,104	10,886,821
Other incoming resources	5	326,413	-	4,500	330,913	326,057
Total incoming resources		11,201,947	-	420,400	11,622,347	11,521,684
<u>Resources expended</u>						
Costs of generating funds	6					
Fundraising trading: costs of goods sold	2	94,245	-	-	94,245	121,959
Net incoming resources available		11,107,702	-	420,400	11,528,102	11,399,725
<u>Charitable activities</u>						
Costs of charitable activities		10,748,068	-	571,342	11,319,410	11,156,165
Governance costs		20,885	-	-	20,885	19,822
Total resources expended		10,863,198	-	571,342	11,434,540	11,297,946
Net incoming/(outgoing) resources before transfers		338,749	-	(150,942)	187,807	223,738
Gross transfers between funds		(115,092)	30,000	85,092	-	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		223,657	30,000	(65,850)	187,807	223,738
<u>Other recognised gains and losses</u>						
Actuarial (loss)/gain on defined benefit pension scheme		(1,066,000)	-	-	(1,066,000)	450,000
Net movement in funds		(842,343)	30,000	(65,850)	(878,193)	673,738
Fund balances at 1 April 2014		1,289,644	30,000	332,552	1,652,196	978,458
Fund balances at 31 March 2015		447,301	60,000	266,702	774,003	1,652,196

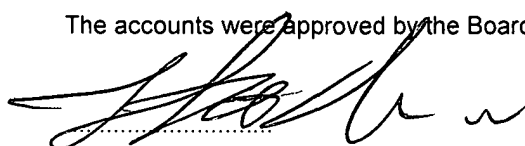
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	10	1,554,878		1,568,089	
Current assets					
Stocks		37,868		35,209	
Debtors	11	727,592		812,654	
Cash at bank and in hand		2,940,823		2,782,253	
		<u>3,706,283</u>		<u>3,630,116</u>	
Creditors: amounts falling due within one year	12	<u>(2,818,491)</u>		<u>(2,930,429)</u>	
Net current assets		<u>887,792</u>		<u>699,687</u>	
Total assets less current liabilities		<u>2,442,670</u>		<u>2,267,776</u>	
Creditors: amounts falling due after more than one year	13	<u>(20,667)</u>		<u>(33,580)</u>	
Net assets excluding pension liability		<u>2,422,003</u>		<u>2,234,196</u>	
Defined benefit pension liability	14	<u>(1,648,000)</u>		<u>(582,000)</u>	
Net assets		<u><u>774,003</u></u>		<u><u>1,652,196</u></u>	
Income funds					
Restricted funds	15	266,702		332,552	
Unrestricted funds:					
Designated funds		60,000		30,000	
Other charitable funds		447,301		1,289,644	
		<u><u>774,003</u></u>		<u><u>1,652,196</u></u>	

The accounts were approved by the Board on 15/12/15


Mr S H McCombe (Chairman)
Trustee

Company Registration No. 04304674

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	18	649,954	1,261,798
Returns on investments and servicing of finance			
Investment income	24,212	16,292	
Net cash inflow from returns on investments and servicing of finance		24,212	16,292
Capital expenditure			
Payments to acquire tangible fixed assets	(502,683)	(432,999)	
Net cash outflow from capital expenditure		(502,683)	(432,999)
Net cash inflow before financing		171,483	845,091
Financing			
Capital element of hire purchase and finance lease rentals	(12,913)	(15,770)	
Net cash outflow from financing		(12,913)	(15,770)
Increase in cash	17	158,570	829,321

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

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 and management fees are included in incoming resources when receivable.

Grants and management fees for specific purposes are credited to individual restricted funds.

All other grant income and management fees are 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 included in charitable activities expenditure. An annual adjustment in accordance with VAT legislation is calculated and included in the last VAT return of the year.

1.4 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 2015

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 gymnasias 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 benefit scheme

The trust operates a pension scheme providing benefits currently based on career average revalued earnings. Life Leisure closed entry to new members of staff in 2012. The scheme is a local government pension scheme and is administered by Tameside Metropolitan Borough Council in accordance with the Local Government Pension Scheme Regulations 1997, as amended. It 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 liability is recognised in full on the Balance Sheet and the surplus/deficit is recognised each year in the Statement Of Financial Activities.

Defined contribution scheme

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

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Activities for generating funds	258,961	157	259,118	292,514
Fundraising trading: costs of goods sold	(94,245)	-	(94,245)	(121,959)
Net Activities for generating funds	164,716	157	164,873	170,555

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

3 Investment income

	2015	2014
	£	£
Interest receivable	24,212	16,292

4 Incoming resources from charitable activities

	Unrestricted funds	Restricted funds	Total 2015	Total 2014
	£	£	£	£
Grants and management fees	1,606,398	323,997	1,930,395	1,992,251
Swimming	2,875,425	253	2,875,678	2,756,993
Sport and recreation	1,383,827	17,040	1,400,867	1,345,797
Health and fitness	4,726,711	74,453	4,801,164	4,791,780
	10,592,361	415,743	11,008,104	10,886,821

5 Other incoming resources

	Unrestricted funds	Restricted funds	Total 2015	Total 2014
	£	£	£	£
Other income	326,413	4,500	330,913	326,057

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6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2015 £	Total 2014 £
Costs of generating funds					
Fundraising trading: costs of goods sold	-	-	94,245	94,245	121,959
Charitable activities					
<u>Costs of charitable activities</u>					
Activities undertaken directly	4,921,293	515,894	3,712,764	9,149,951	9,010,207
Support costs	745,070	-	1,424,389	2,169,459	2,145,958
Total	5,666,363	515,894	5,137,153	11,319,410	11,156,165
Governance costs	-	-	20,885	20,885	19,822
	<u>5,666,363</u>	<u>515,894</u>	<u>5,252,283</u>	<u>11,434,540</u>	<u>11,297,946</u>

Governance costs includes payments to the auditors of £8,400 (2014: £9,200) for audit fees.

7 Activities undertaken directly

	2015 £	2014 £
Other costs relating to costs of charitable activities comprise:		
Leasing rentals	54,793	20,908
Bad debts	24,842	34,160
Premises	2,654,765	2,815,206
Operational supplies and services	670,176	571,437
Establishment costs	141,273	137,454
Transport	77,536	73,142
Other staff costs	102,138	115,113
Miscellaneous	(12,759)	10,177
	<u>3,712,764</u>	<u>3,777,597</u>

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

8 Support costs

	2015 £	2014 £
Staff costs	745,070	738,630
Premises, general office and finance	303,703	325,721
Supplies and services	66,212	56,457
Advertising and marketing	203,531	201,879
Insurance	198,159	221,226
Professional and consultancy fees	188,808	189,244
Miscellaneous	21,733	15,213
Unrecovered VAT	442,243	397,588
	<u>2,169,459</u>	<u>2,145,958</u>

9 Employees

Number of employees

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

	2015 Number	2014 Number
Charitable	229	233
Management and administration	21	23
	<u>250</u>	<u>256</u>

Employment costs

	2015 £	2014 £
Wages and salaries	5,147,085	5,102,165
Social security costs	297,704	294,592
Other pension costs	221,574	207,280
	<u>5,666,363</u>	<u>5,604,037</u>

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

	2015 Number	2014 Number
£60,000 - £69,999	1	1
£130,000 - £139,999	1	-
£140,000 - £149,999	-	1
	<u>2</u>	<u>2</u>

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NOTES TO THE ACCOUNTS (CONTINUED)
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10 Tangible fixed assets

	Building improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2014	1,579,799	1,985,101	3,564,900
Additions	13,329	489,354	502,683
Disposals	(19,352)	(765,264)	(784,616)
Transfers	(466,314)	466,314	-
At 31 March 2015	1,107,462	2,175,505	3,282,967
Depreciation			
At 1 April 2014	939,507	1,057,304	1,996,811
On disposals	(19,352)	(765,264)	(784,616)
Charge for the year	141,803	374,091	515,894
Transfers	(492,424)	492,424	-
At 31 March 2015	569,534	1,158,555	1,728,089
Net book value			
At 31 March 2015	537,928	1,016,950	1,554,878
At 31 March 2014	640,292	927,797	1,568,089

Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes £33,580 (2014 - £46,493) in respect of assets held under finance leases or hire purchase contracts. The depreciation charged in respect of such assets amounted to £12,913 (2014 - £15,770).

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11 Debtors	2015	2014
	£	£
Trade debtors	263,253	172,403
Other debtors	11,130	305,314
Prepayments and accrued income	453,209	334,937
	<u>727,592</u>	<u>812,654</u>

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

	2015	2014
	£	£
Trade debtors	-	26,526
Other debtors	2,500	7,823
	<u>2,500</u>	<u>34,349</u>

12 Creditors: amounts falling due within one year	2015	2014
	£	£
Net obligations under finance leases and hire purchase contracts	12,913	12,913
Trade creditors	393,343	805,652
Taxes and social security costs	97,476	95,684
Other creditors	77,267	42,894
Accruals	1,250,077	1,121,038
Deferred income	987,415	852,248
	<u>2,818,491</u>	<u>2,930,429</u>

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

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FOR THE YEAR ENDED 31 MARCH 2015

13 Creditors: amounts falling due after more than one year	2015	2014
	£	£
Net obligations under finance leases and hire purchase contracts	20,667	33,580
Net obligations under finance leases and hire purchase contracts are secured on the assets concerned.		
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	12,913	12,913
Repayable between one and five years	20,667	33,580
	33,580	46,493
Included in liabilities falling due within one year	(12,913)	(12,913)
	20,667	33,580

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	
	2015	2014
	£	£
Present value of funded obligations	11,910,000	9,931,000
Fair value of plan assets	(10,262,000)	(9,349,000)
	1,648,000	582,000

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

14 Pension and other post-retirement benefit commitments

(Continued)

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

	Defined benefit pension plans	
	2015	2014
	£	£
Included in staff costs within total resources expended		
Current service cost	250,000	246,000
Past service cost	5,000	-
	<u>255,000</u>	<u>246,000</u>
Net pension finance costs included within total resources expended		
Interest on obligation	415,000	423,000
Expected return on pension scheme assets	(536,000)	(425,000)
	<u>(121,000)</u>	<u>(2,000)</u>
Total	<u><u>134,000</u></u>	<u><u>244,000</u></u>
 Actual return on plan assets	 <u><u>1,053,000</u></u>	 <u><u>943,000</u></u>

Included with other recognised gains and losses:

	Defined benefit pension plans	
	2015	2014
	£	£
Actual return less expected return on pension scheme assets	517,000	518,000
Experience gains and losses arising on scheme liabilities	(1,696,000)	(16,000)
	<u><u>(1,179,000)</u></u>	<u><u>502,000</u></u>

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

14 Pension and other post-retirement benefit commitments

(Continued)

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

	Defined benefit pension plans	
	2015	2014
	£	£
Opening defined benefit obligation	9,931,000	9,301,000
Current service cost	250,000	246,000
Interest cost	415,000	423,000
Contributions by scheme participants	82,000	79,000
Past service cost	5,000	-
Actuarial losses (gains)	1,696,000	16,000
Liabilities extinguished on settlements	(331,000)	-
Benefits paid	(138,000)	(134,000)
Total	11,910,000	9,931,000

Changes in fair value of plan assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Opening fair value of plan assets	9,349,000	8,269,000
Expected return	536,000	425,000
Actuarial losses	517,000	518,000
Assets distributed on settlements	(292,000)	-
Contributions by employer	208,000	192,000
Contributions from scheme participants	82,000	79,000
Benefits paid	(138,000)	(134,000)
	10,262,000	9,349,000

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

	2015	2014
	%	%
Equities	73	72
Bonds	17	17
Property	6	6
Other assets	4	5

STOCKPORT SPORTS TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

14 Pension and other post-retirement benefit commitments

(Continued)

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

	2015	2014
	%	%
Discount rate at 31 March 2015	3.20	4.30
Expected return on plan assets at 31 March 2015	3.20	4.73
Future salary increases	2.40	2.80
Future pension increases	2.40	2.80

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

Defined benefit pension plans

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined benefit obligation	(11,910,000)	(9,931,000)	(9,301,000)	(7,981,000)	(3,713,000)
Plan assets	10,262,000	9,349,000	8,269,000	7,078,000	3,775,000
Surplus/(deficit)	(1,648,000)	(582,000)	(1,032,000)	(903,000)	62,000
Experience adjustments on plan liabilities	(1,696,000)	(16,000)	(750,000)	(639,000)	84,000
Experience adjustments on plan assets	517,000	518,000	636,000	(359,000)	(860,000)

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

15 Restricted funds

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

	Balance at 1 April 2014	Movement in funds		Transfers	Balance at 31 March 2015
	£	Net Incoming resources	Resources expended	£	£
Earmarked Stockport MBC Funding	243,502	-	(88,202)	-	155,300
EOP/PARIS	68,918	219,236	(213,688)	-	74,466
I Wish I'd Tried	-	68,032	(47,796)	-	20,236
Community Coaches	-	-	(76,311)	76,311	-
Other	20,132	133,131	(145,344)	8,781	16,700
	<u>332,552</u>	<u>420,399</u>	<u>(571,341)</u>	<u>85,092</u>	<u>266,702</u>

The Earmarked funding from 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 I Wish I'd Tried project is a new initiative in 2014 sponsored by Sport England Lottery Funding and Public Health Stockport. The project plays an important role in tackling health inequalities by providing varied sport and physical activities for inactive adults over 25 years of age. Activities take place daily at a variety of locations, with inclusive sessions aimed at those with a physical or learning disability.

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

STOCKPORT SPORTS TRUST
TRADING AS LIFE LEISURE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

16 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2015 are represented by:				
Tangible fixed assets	1,369,938	-	184,940	1,554,878
Current assets	3,564,521	60,000	81,762	3,706,283
Creditors: amounts falling due within one year	(2,818,491)	-	-	(2,818,491)
Creditors: amounts falling due after more than one year	(20,667)	-	-	(20,667)
Defined benefit pension liability	(1,648,000)	-	-	(1,648,000)
	<u>447,301</u>	<u>60,000</u>	<u>266,702</u>	<u>774,003</u>

17 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase in cash	158,570	829,321
Capital element of hire purchase and finance lease rentals	12,913	15,770
Movement in net funds/(debt)	171,483	845,091
Net funds at 1 April 2014	2,735,760	1,890,669
Net funds at 31 March 2015	2,907,243	2,735,760

18 Net cash inflow from operating activities

	2015 £	2014 £
Reconciliation to changes in resources		
Changes in resources before revaluations	187,807	223,738
Investment income	(24,212)	(16,292)
Depreciation of tangible fixed assets	515,894	367,204
Increase/(decrease) in stocks	(2,659)	13,745
Decrease/(increase) in debtors	85,062	(8,435)
(Decrease)/Increase in creditors	(111,938)	681,838
	<u>649,954</u>	<u>1,261,798</u>

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

19 Analysis of net cash less debt

	At 1 April 2014 £	Cash flow £	Non-cash changes £	At 31 March 2015 £
Cash at bank and in hand	2,782,253	158,570	-	2,940,823
Hire purchase and finance leases	(46,493)	12,913	-	(33,580)
	<u>2,735,760</u>	<u>171,483</u>	<u>-</u>	<u>2,907,243</u>

20 Commitments under operating leases

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within one year	-	65,000	56,780	7,240
Between two and five years	20,000	20,000	24,177	82,281
In over five years	846,685	816,865	-	-
	<u>866,685</u>	<u>901,865</u>	<u>80,957</u>	<u>89,521</u>

21 Related parties

During the year the Trust was provided with services amounting to £6,290 (2014 - £nil) from Smithsons Solicitors, an entity in which A Smithson is a partner, and £5,040 (2014 - £nil) from Pitman LLP, an entity in which A Smithson is a director. There is an amount outstanding at the year end of £5,040 which has been included in accruals.

In addition, the Trust was also provided with services amounting to £6,100 (2014 - £nil) from William Ritchie Limited, an entity in which S McCombe is a director. There is also a balance of £2,500 outstanding at the year end and included in trade creditors due to William Ritchie Limited.