
Stockport Sports Trust
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Period Ended 30 September 2021

Stockport Sports Trust
(A Company Limited by Guarantee)

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Stockport Sports Trust
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Reference and Administrative Details of the Company, its Trustees and Advisers
For the Period Ended 30 September 2021

Trustees

Mr G Batra, Chair
Mrs V Cottam MBE
Mr A Cawley
Mr J Pate
Mr B Lupton
Mrs C Lancaster
Mr M Atkinson (resigned 30 July 2020)

Company registered number 04304674

Charity registered number 1094247

Registered office

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

Company secretary P Vibrans

Independent auditors

Hurst Accountants Limited
Chartered Accountants
Statutory Auditors
Lancashire Gate

21 Tiviot Dale

Stockport

SK1 1TD

Stockport Sports Trust
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Trustees' Report
For the Period Ended 30 September 2021

The Trustees present their annual report together with the audited financial statements of the Group for the period ended 30 September 2021.

The reporting period is the 18 months ended 30 September 2021. As the previous reporting period was the 12 months ended 31 March 2020, comparative amounts presented in the financial statements are not entirely comparable.

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

Objectives and activities

a. Policies and objectives

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

a) To provide or assist in the provision of facilities and services for recreation or other leisure time occupations primarily for the community and visitors to the Stockport Metropolitan Borough area in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who, by reason of their youth, age, infirmity or disability, poverty, ethnicity and/or social and economic circumstances, may have need of special facilities and which will help to improve the quality of life for such persons by promoting their social, physical or mental wellbeing;

b) To provide or assist in the provision of facilities for physical education and development which will enable and encourage pupils and students of schools or establishments for the provision of further and higher education to play games and sports and thereby to assist in ensuring that due attention is given to the physical education and development of such pupils and students as well as the development and occupation of their minds, and with a view to furthering this object, to provide or assist in the provision, for the use of such pupils or students, of games and sports equipment of every kind, courses, lectures, demonstrations, coaching and playing fields or appropriate outdoor or indoor facilities for such education.

c) The provision of facilities and services provided by the Trust as detailed in sections (a) and (b) of these Objects shall not be restricted to the Stockport Metropolitan Borough area and may be provided to other members of the public wheresoever situated or whether within or without the United Kingdom who desire to and can conveniently make use of them.

In setting our objectives for the period and planning our activities, the Board has considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Trust relies on management fees and grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the trustees give careful consideration to the accessibility of the Trust's sports facilities to the inhabitants of the communities we serve, in particular individuals and families on low incomes.

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Achievements and performance

a. Main achievements of the Group

The 18-month period ended 30 September 2021 was a challenging time for the Trust due to the impact of the Covid-19 pandemic. Our operations were severely affected from mandated closure of sites in March 2020 and throughout the cycle of subsequent lockdowns and restrictions, with some key activities (in particular group exercise) not being completely lifted until September 2021. During the 18-month period covered by these accounts we received significant financial support in the form of deficit funding from our Local Authority partners in both Barrow and Stockport.

Despite our member base being significantly eroded during this time, the trustees are pleased to report that the business is now growing back across all sites and income streams. It is recognised, however, that it may take a number of years for some activities to reach their previous pre-pandemic levels. Our impact on the local communities we serve remains nonetheless significant.

From an income perspective, recovery from Covid was initially quicker across outdoor activities (in particular football) and swimming activities, with health and fitness services catching up as social distancing measures were eased over indoor activities. Barrow in particular recovered well by the end of the 18-month period with strong membership sales and membership numbers at around 75% of pre-Covid levels and swimming income returning to 95% of pre-Covid levels. Stockport recovery was not far behind with recovery by September 2021 returning to around 65% of pre-Covid levels for membership and 90% of pre-Covid levels for swimming income.

The Trustees are also pleased to report that, even during the pandemic, we continued to pursue excellence in the services we were able to deliver to our communities. We are proud to have been shortlisted as a finalist for the UK Active Awards 2021 in the category of Developing & Supporting Communities During Covid-19 for our Stockport Moving Together Covid recovery programme. This is a tremendous achievement during a time of adversity and reflects the agility of the Trust to respond quickly and appropriately to deliver for our communities. Since the period-end we have won a further award: our Active Communities team has won the Partners of the Year award in the Brinnington Volunteer Awards 2022.

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

Financial review

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

A summary of the results for the Group for the 18-month period can be found in the Statement of Financial Activities on page 14 of the accounts.

The financial results for this period have been severely impacted by the pandemic and resultant lockdowns and associated restrictions. Sites were closed for approximately 9 months out of the 18-month accounting period, with no income from activities during months of closure and some ongoing costs that could not be mitigated. In the 18-month period to 30 September 2021, total income of the Group (including grants and management fees) amounted to £12,640,986 compared with £12,806,411 in the previous 12 months.

Total resources expended in the 18-month period excluding taxation amounted to £13,733,398 (year to 31 March 2020: £12,140,218), resulting in a Group net deficit for the period before taxation (including Covid support packages outlined above) of £1,092,412 (year to 31 March 2020: surplus of £666,193). After transfers between funds of £84,586, this deficit is further analysed into a deficit of £1,030,903 on unrestricted activities (normal operations: leisure centre management, active communities' programmes, and non-group operations of the subsidiary company) and a deficit of £61,509 on restricted/designated funds (specific project delivery from ring-fenced funds). There were no tax movements during the period.

b. Principal funding sources

Prior to Covid one key funding source for the Charity was the annual management fee from each of Stockport Metropolitan Borough Council and Barrow Borough Council. In the year ended 31 March 2020 these amounted to £446K and £48K. With the advent of the pandemic these management fees were replaced with deficit funding from each local authority. The Group also received government grants through the Coronavirus Job Retention Scheme (CJRS).

Included in total income for the 18 months ended 30 September 2021 are government grants (CJRS) totalling £2,670,774 (year ended 31 March 2020: £89,387) and support from local authority partners in the form of Covid-19 deficit funding amounting to £3,009,690 (year ended 31 March 2020: £74,479).

Additional donations, grants and management fees were received in the period totalling £707,279 (year ended 31 March 2020: £1,005,577).

Excluding donations, government grants (including CJRS) and Covid deficit funding from local authority partners total operational income amounted to £6,951,459 for the 18 months to 30 September 2021 (year to 31 March 2020: £12,642,545).

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Financial review (continued)

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

Notwithstanding the success of the Group's operations and financial performance throughout its 18-year history, the arrival of the Covid-19 pandemic in March 2020 had a major impact on the ability of the Group to continue to provide leisure services and community activities as it did previously.

From the onset of the pandemic and throughout, the organisation worked tirelessly to take steps to control costs and maintain the liquidity and net assets position of the Group to ensure that leisure services could resume for our local communities and that jobs would be retained. This involved the mothballing of sites during lockdowns, cancelling contracted spend and mitigating costs wherever possible, including placing the majority of staff on furlough and claiming support through the government's Coronavirus Job Retention Scheme (CJRS) as well as other government support initiatives. Unfortunately, cost control measures also necessitated a significant restructure of the senior leadership team resulting in the departure of a number of experienced and highly regarded colleagues.

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

These funding arrangements, as well as the realisation that a significant amount of further deficit funding was likely to be required going forward, were accompanied by discussions with Stockport Metropolitan Borough Council as well as Barrow Borough Council in relation to the future operating model of leisure services. As a result of this, agreement was reached with both our Local Authority clients to transfer back these leisure services so that they are directly controlled by their respective Councils. This was considered the most effective way to ensure continuity of the vital services we provide to the communities we serve, and to protect jobs for our dedicated and highly capable colleagues.

The transfer of both the Barrow and Stockport operations took place in the 6 months following the period covered by these accounts. The Trust is now preparing to enter into an orderly wind down process. Consequently, the Board of Trustees has taken the decision to not prepare these accounts on a going concern basis. Adjustments have been made in these accounts to reflect this position and further details are set out in note 2.2 to the accounts.

Stockport Sports Trust
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Structure, governance and management

a. Constitution

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

The trustees, who are also the directors for the purpose of company law, and who served during the period or were appointed after the year end are as follows:

Mr M Atkinson (Resigned 30/07/2020)

Mrs V Cottam MBE

Mr A R Cawley

Mr J Pate

Mr B J Lupton

Ms C A Lancaster

Mr G Batra

b. Methods of appointment or election of Trustees

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

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

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

c. Policies adopted for the induction and training of Trustees

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

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

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

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Structure, governance and management (continued)

d. Organisational structure and decision-making policies

The number of directors shall be not less than three but, unless otherwise determined by ordinary resolution, shall not be subject to any maximum. The Executive Management Team at Life Leisure during the period was made up of 3 individuals, comprising the Group Chief Executive Officer (CEO), Group Finance Director and Group Operations Director. The team attends every bi-monthly Board meeting and presents reports to the Board in respect of strategic issues.

During the period, day to day responsibility rested with the CEO, supported by the Executive Management Team and other members of the Senior Leadership Team, along with the General Managers who have direct roles for the smooth running of each of our 12 leisure facilities as well as the activities of our active communities and health and well-being teams.

e. Related party relationships

During the period we worked in partnership with Stockport Metropolitan Borough Council (SMBC) and Barrow Borough Council (BBC) to deliver outcomes identified in each borough. The normal process is to have quarterly strategic meetings between the CEO of the Trust and the Corporate Director for Place at SMBC to discuss issues of common interest. In addition, there are monthly meetings scheduled between the Group Finance Director and Group Operations Director at Life Leisure and key personnel at SMBC responsible for leisure, finance and estates management. During the pandemic these scheduled meetings did not always take place, but instead were replaced with more frequent and regular dialogue between all parties to ensure the safeguarding of staff and protection of leisure facilities during lockdown and under phased reopening.

We operate closely with secondary and primary education providing the swimming instruction to all but a handful of Stockport's many primary schools and operating the sports and leisure facilities on the site of a number of secondary schools, making these available for extensive community use.

As there is a natural affinity between leisure and health and well-being, the Charity works with the Public Health department of SMBC to deliver a number of joint interest schemes.

f. Risk management

The trustees have developed processes to identify, evaluate and manage risk as part of the bi-monthly Trustee Board meetings. A Risk Group was set up by the Board to review the risk register. The trustees confirm that the major risks to which the Charity is exposed have been identified and systems have been established to mitigate those risks. The risk identification process has been developed together with the Charity's reserves policy.

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Structure, governance and management (continued)

g. Reserves policy

During the period and as at the 30 September 2021, the directors maintained a reserves policy to ensure the Charity had a general reserve to deal with future eventualities with regard to the following:

1. Implications of FRS 102 reporting.
2. To provide the option to enable the Group to carry an excess on its liability insurances in order to attract more competitive quotations.
3. To provide for uninsured losses against the Trust, including industrial tribunal awards and associated costs.
4. To contribute to lost income not covered by the funding agreements, to accommodate closure of facilities for development.
5. Loss of income due to competition / trend changes / grant and management fee reductions.
6. Replacement and / or renovation of landlord or owned equipment, fixtures and fittings within the Trust.

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

As a result of the transfer of the operations and assets of the Group after the balance sheet date, the Group's reserves policy has been updated to ensure the Group has sufficient reserves to enable an orderly wind-up.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

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Statement of Trustees' responsibilities

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

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

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

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

Disclosure of information to auditors

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

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

Auditors

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

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

Mr G Batra
Trustee

Date: 29 July 2022

Stockport Sports Trust
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Independent Auditors' Report to the Members of Stockport Sports Trust

Opinion

We have audited the financial statements of Stockport Sports Trust (the 'Parent Charitable Company') and its subsidiaries (the 'Group') for the period ended 30 September 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Charitable Company's affairs as at 30 September 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent Charitable Company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the Group operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Group's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Group operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, Charities SORP, Charities Act 2011, Charity Commission, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

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

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Besant-Roberts (Senior Statutory Auditor)

for and on behalf of

Hurst Accountants Limited

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

SK1 1TD

29 July 2022

Stockport Sports Trust
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Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Period Ended 30 September 2021

		Unrestricted funds 18 months ending 30 September 2021 £	Restricted funds 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	Total funds 12 months ending 31 March 2020 £
	Note				
Income from:					
Donations and legacies	4	2,679,837	-	2,679,837	89,387
Charitable activities	5	8,587,902	625,377	9,213,279	11,665,431
Other trading activities	6	66,020	-	66,020	271,664
Investments	7	846	-	846	3,327
Other income	8	681,004	-	681,004	776,602
Total income		<u>12,015,609</u>	<u>625,377</u>	<u>12,640,986</u>	<u>12,806,411</u>
Expenditure on:					
Raising funds	9	32,875	-	32,875	109,667
Charitable activities	10	12,955,325	602,300	13,557,625	12,025,798
Other expenditure	12	142,898	-	142,898	4,753
Total expenditure		<u>13,131,098</u>	<u>602,300</u>	<u>13,733,398</u>	<u>12,140,218</u>
Net (expenditure)/income before taxation		<u>(1,115,489)</u>	<u>23,077</u>	<u>(1,092,412)</u>	<u>666,193</u>
Taxation		-	-	-	270,151
Net (expenditure)/income after taxation		<u>(1,115,489)</u>	<u>23,077</u>	<u>(1,092,412)</u>	<u>936,344</u>
Transfers between funds	26	84,586	(84,586)	-	-
Net movement in funds before other recognised gains/(losses)		<u>(1,030,903)</u>	<u>(61,509)</u>	<u>(1,092,412)</u>	<u>936,344</u>
Other recognised gains/(losses):					
Losses on revaluation of fixed assets		-	-	-	(3,450,000)
Actuarial (losses)/gains on defined benefit pension schemes	31	(1,557,000)	-	(1,557,000)	1,631,000
Impairment of goodwill		-	-	-	(264,568)
Net movement in funds		<u><u>(2,587,903)</u></u>	<u><u>(61,509)</u></u>	<u><u>(2,649,412)</u></u>	<u><u>(1,147,224)</u></u>

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Consolidated Statement of financial activities (incorporating income and expenditure account) (continued)
For the Period Ended 30 September 2021

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds</i>
	18 months ending 30 September 2021	18 months ending 30 September 2021	18 months ending 30 September 2021	<i>12 months ending 31 March 2020</i>
Note	£	£	£	£
Reconciliation of funds:				
Total funds brought forward	(414,765)	123,452	(291,313)	855,911
Net movement in funds	(2,587,903)	(61,509)	(2,649,412)	(1,147,224)
Total funds carried forward	26 (3,002,668)	61,943	(2,940,725)	(291,313)

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 21 to 56 form part of these financial statements.

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

Consolidated Balance Sheet
As at 30 September 2021

	Note	30 September 2021 £	31 March 2020 £
Fixed assets			
Intangible assets	16	-	-
Tangible assets	17	4,977,234	5,580,843
		<u>4,977,234</u>	<u>5,580,843</u>
Current assets			
Stocks	19	16,684	13,696
Debtors	20	1,537,437	1,004,728
Cash at bank and in hand	29	2,142,331	2,038,108
		<u>3,696,452</u>	<u>3,056,532</u>
Creditors: amounts falling due within one year	21	(8,539,981)	(3,150,737)
Net current (liabilities)		<u>(4,843,529)</u>	<u>(94,205)</u>
Total assets less current liabilities		<u>133,705</u>	<u>5,486,638</u>
Creditors: amounts falling due after more than one year	22	-	(4,473,952)
Provisions for liabilities	25	(214,430)	(139,999)
Net (liabilities) / assets excluding pension liability		<u>(80,725)</u>	<u>872,687</u>
Defined benefit pension scheme liability	31	(2,860,000)	(1,164,000)
Total net (liabilities)		<u>(2,940,725)</u>	<u>(291,313)</u>
Charity funds			
Restricted funds	26	61,943	123,452
Unrestricted funds	26	(3,002,668)	(414,765)
Total funds		<u>(2,940,725)</u>	<u>(291,313)</u>

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

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

Mr G Batra
Trustee
Date: 29 July 2022

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

Consolidated Balance Sheet (continued)
As at 30 September 2021

The notes on pages 21 to 56 form part of these financial statements.

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

Company Balance Sheet
As at 30 September 2021

	Note	30 September 2021 £	31 March 2020 £
Fixed assets			
Tangible assets	17	426,859	1,029,718
Investments	18	404,734	271,200
		<u>831,593</u>	<u>1,300,918</u>
Current assets			
Stocks	19	16,684	13,696
Debtors	20	5,378,683	4,820,584
Cash at bank and in hand		2,036,638	1,932,137
		<u>7,432,005</u>	<u>6,766,417</u>
Creditors: amounts falling due within one year	21	(8,129,895)	(3,061,569)
Net current (liabilities) / assets		<u>(697,890)</u>	<u>3,704,848</u>
Total assets less current liabilities		<u>133,703</u>	<u>5,005,766</u>
Creditors: amounts falling due after more than one year	22	-	(3,993,082)
Provisions for liabilities	25	(214,430)	(139,999)
Net (liabilities) / assets excluding pension liability		<u>(80,727)</u>	<u>872,685</u>
Defined benefit pension scheme liability	31	(2,860,000)	(1,164,000)
Total net (liabilities)		<u>(2,940,727)</u>	<u>(291,315)</u>
Charity funds			
Restricted funds		146,531	123,452
Unrestricted funds:			
General funds		(3,087,258)	(414,767)
Unrestricted funds		<u>(3,087,258)</u>	<u>(414,767)</u>
Total funds		<u>(2,940,727)</u>	<u>(291,315)</u>

The Charity's net movement in funds for the 18 months ending 30 September was a deficit of £ 2,649,412 (12 months ending 31 March 2020: £894,659).

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

Company Balance Sheet (continued)
As at 30 September 2021

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

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

Mr G Batra

Trustee

Date: 29 July 2022

The notes on pages 21 to 56 form part of these financial statements.

Stockport Sports Trust
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
For the Period Ended 30 September 2021

		18 months ending 30 September 2021 £	<i>12 months ending 31 March 2020 £</i>
	Note		
Cash flows from operating activities			
Net cash used in operating activities	28	644,871	<i>1,253,101</i>
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		4,000	<i>6,911</i>
Purchase of tangible fixed assets		-	<i>(308,308)</i>
Proceeds from sale of investments		-	<i>105,139</i>
Interest received		846	<i>3,327</i>
Net cash provided by/(used in) investing activities		4,846	<i>(192,931)</i>
Cash flows from financing activities			
Repayments of borrowing		(369,501)	<i>(467,225)</i>
Bank loan interest paid		(175,993)	<i>(152,973)</i>
Net cash used in financing activities		(545,494)	<i>(620,198)</i>
Change in cash and cash equivalents in the period		104,223	<i>439,972</i>
Cash and cash equivalents at the beginning of the period		2,038,108	<i>1,598,136</i>
Cash and cash equivalents at the end of the period	29	2,142,331	<i>2,038,108</i>

The notes on pages 21 to 56 form part of these financial statements

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

1. General information

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

The Group consists of Stockport Sports Trust and its subsidiary.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

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

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

The reporting period is the 18 months ended 30 September 2021. As the previous reporting period was the 12 months ended 31 March 2020, comparative amounts presented in the financial statements are not entirely comparable.

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

2. Accounting policies (continued)

2.2 Going concern

Prior to the Covid-19 pandemic, total income across the Group was on target and all costs were in line with budget. Notwithstanding the success of the Group's operations and financial performance throughout its 18 year history, the arrival of the Covid-19 pandemic in March 2020 had a major impact on the ability of the Group to continue to provide leisure services and community activities as it did previously.

Due to the severe impact of Covid-19, the leisure services that were provided by the Group were taken back under direct control of the relevant local authority clients from 1 February 2022 for Barrow and 1 April 2022 for Stockport. This was considered to be the most effective way to ensure continuity of services and protection of jobs.

As explained in the Trustees report, the Group and Company ceased operations on 31 March 2022 and will subsequently aim to complete a solvent liquidation within 12 months of the date these financial statements have been authorised and issued. As a result these financial statements have been prepared on a basis other than that of a going concern. This basis includes, where applicable, writing the Group's assets down to net realisable value. No provision has been made for any future costs of liquidating the business unless such costs were committed at the reporting date.

2.3 Income

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

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

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

Investment income is recognised when receivable. Incidental non-charitable trading income is recognised when earned.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

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

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

2. Accounting policies (continued)

2.4 Expenditure

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

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

Expenditure on charitable activities is incurred by the Group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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

Irrecoverable VAT is calculated quarterly and included in charitable activities expenditure. An annual adjustment in accordance with VAT legislation is calculated and included in the last VAT return of the VAT year.

2.5 Government grants

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

2.6 Interest receivable

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

2.7 Interest payable

Interest payable is charged to the statement of financial activities over the term of the debt using the effective interest rate method.

2.8 Taxation

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

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

2. Accounting policies (continued)

2.9 Intangible fixed assets - goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Financial Activities over its useful economic life which is considered to be 10 years.

2.10 Tangible fixed assets and depreciation

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

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

Depreciation is provided on the following bases:

Buildings	-	over 30 years on a straight line basis
Football pitches / tennis courts	-	over 15 years on a straight line basis
Building improvements	-	over 5-10 years on a straight line basis
Fixtures, fittings & equipment	-	over 3-5 years on a straight line basis

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

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

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

2. Accounting policies (continued)

2.11 Impairment of assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there are any indications that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss (if any).

The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in expenditure for the period, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if and only if the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried at a revalued amount in which case the reversal of the impairment loss is treated as a revaluation increase.

2.12 Investments

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

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

2.13 Stocks

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

2.14 Debtors

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

2.15 Cash at bank and in hand

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

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

2. Accounting policies (continued)

2.16 Liabilities

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

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

2.17 Deferred income

Rental income received is deferred so as to be accounted for correctly over the period of the lease term.

Income from grants and contributions are deferred and released to the profit and loss account over the period of the relevant agreement, or in line with the life of the asset which the income was used to fund.

2.18 Provisions

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

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

2.19 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.20 Financial instruments

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

2.21 Operating leases

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

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

2. Accounting policies (continued)

2.22 Pensions

Defined benefit scheme - Greater Manchester Pension Fund

The trust operates a pension scheme providing benefits currently based on career average revalued earnings. Life Leisure closed entry to new members of staff in 2012. The scheme is a local government pension scheme and is administered by Tameside Metropolitan Council in accordance with the Local Government Pension Scheme Regulations 1997, as amended. It was contracted out of the State Second pension until 31 March 2016. The assets of the scheme are held separately from those of the trust, being invested in a combination of equities, bonds, properties and cash. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using the yield available on long dated, high quality corporate bonds (measured as the yield on Iboxx Sterling Corporate Index, AA over 15 years). Pension scheme assets are valued at market value at the balance sheet date. The pension scheme liability is recognised in full on the balance sheet and the surplus/deficit is recognised each year in the Statement of Financial Activities.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined liability during the period as a result of the contribution and benefit payments. The net interest is recognised in income/(expenditure) for the period.

Re-measurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities, is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the Scheme.

Defined benefit scheme - Cumbria Pension Fund

As a result of the 15-year leisure operating contract with Barrow Borough Council effective August 2018, the trust was admitted to the Cumbria Pension Fund. This is a local government pension scheme for Barrow staff who were transferred across to the trust at the start of the contract in accordance with TUPE regulations.

The contract with Barrow Borough Council stipulates that there is a cap and collar on employer's pension contributions through the life of the contract and that any potential exit contribution payable by the trust at the end of the contract will be borne by Barrow Borough Council.

Employer's contributions are charged in the accounts in the period to which they relate.

Defined contribution scheme

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

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

2. Accounting policies (continued)

2.23 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgement

In the application of the Group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods, where the revision affects both current and future periods.

Actuarial assumptions

Stockport Sports Trust has obligations to pay pension benefits to certain employees who are members of a Local Government Pension Scheme. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. These assumptions reflect historical experience and current trends.

Assessing indicators of impairment of consideration for investment in subsidiary

In assessing whether there have been any indicators of impairment in the value of the consideration of the investment in the subsidiary, the directors have assessed both external and internal sources of information.

Valuation of land and buildings

Land and buildings are valued periodically at fair value with reference to comparable transactional market evidence on arm's length terms.

Provisions

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

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

4. Income from donations and legacies

	Unrestricted funds 18 months ending 30 September 2021 £	Restricted funds 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	Total funds 12 months ending 31 March 2020 £
Donations	9,063	-	9,063	-
Government grants	2,670,774	-	2,670,774	89,387
Total 2021	2,679,837	-	2,679,837	89,387
<i>Total 2020</i>	<i>88,763</i>	<i>624</i>	<i>89,387</i>	

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

5. Income from charitable activities

	Unrestricted funds 18 months ending 30 September 2021 £	Restricted funds 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	Total funds 12 months ending 31 March 2020 £
Grants and management fees	3,093,013	614,893	3,707,906	1,526,056
Swimming	1,821,501	-	1,821,501	3,088,996
Sport and recreation	608,544	10,484	619,028	1,217,956
Health and fitness	3,064,844	-	3,064,844	5,832,423
Total 2021	8,587,902	625,377	9,213,279	11,665,431
<i>Total 2020</i>	<i>11,104,819</i>	<i>560,612</i>	<i>11,665,431</i>	

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	<i>Total funds 12 months ending 31 March 2020 £</i>
Non-charitable trading activities	66,020	66,020	271,664
Total 2021	<u>66,020</u>	<u>66,020</u>	<u>271,664</u>
<i>Total 2020</i>	<u>271,664</u>	<u>271,664</u>	

7. Investment income

	Unrestricted funds 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	<i>Total funds 12 months ending 31 March 2020 £</i>
Interest receivable	846	846	3,327
Total 2021	<u>846</u>	<u>846</u>	<u>3,327</u>
<i>Total 2020</i>	<u>3,327</u>	<u>3,327</u>	

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

8. Other incoming resources

	Unrestricted funds 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	<i>Total funds 12 months ending 31 March 2020 £</i>
Rental income	601,830	601,830	448,890
Loss of income claim	(19,976)	(19,976)	161,887
Income from disposal of investments	-	-	105,139
Other	99,150	99,150	60,686
Total 2021	<u>681,004</u>	<u>681,004</u>	<u>776,602</u>
<i>Total 2020</i>	<u>776,602</u>	<u>776,602</u>	

9. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	<i>Total funds 12 months ending 31 March 2020 £</i>
Other trading activities	32,875	32,875	109,667
Total 2021	<u>32,875</u>	<u>32,875</u>	<u>109,667</u>
<i>Total 2020</i>	<u>109,667</u>	<u>109,667</u>	

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 18 months ending 30 September 2021 £	Restricted funds 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	Total funds 12 months ending 31 March 2020 £
Charitable activities	12,955,325	602,300	13,557,625	12,025,798
Total 2021	<u>12,955,325</u>	<u>602,300</u>	<u>13,557,625</u>	<u>12,025,798</u>
<i>Total 2020</i>	<u>11,475,977</u>	<u>549,821</u>	<u>12,025,798</u>	

11. Analysis of expenditure by activities

	Activities undertaken directly 18 months ending 30 September 2021 £	Support costs 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	Total funds 12 months ending 31 March 2020 £
Charitable activities	12,546,019	1,011,606	13,557,625	12,025,798
Total 2021	<u>12,546,019</u>	<u>1,011,606</u>	<u>13,557,625</u>	<u>12,025,798</u>
<i>Total 2020</i>	<u>11,119,275</u>	<u>906,523</u>	<u>12,025,798</u>	

Stockport Sports Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 30 September 2021

11. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 18 months ending 30 September 2021 £	<i>Total funds 12 months ending 31 March 2020 £</i>
Pension finance costs	42,000	64,000
Staff costs	7,606,038	6,064,650
Depreciation and amortisation	456,712	389,822
Bad debts	(32,309)	15,000
Premises (including rent, rates, utilities, repairs and maintenance)	2,259,753	2,286,546
Operational supplies and services	607,963	695,716
Establishment	160,382	176,143
Transport	97,566	98,134
Other staff costs	92,851	135,781
Miscellaneous	-	48,042
Freelancers	95,745	243,368
Transaction charges	63,713	80,705
Unrecovered VAT	344,133	399,038
Bank loan interest	175,993	152,973
Insurance	232,928	119,520
Advertising and marketing	87,947	149,837
Contract termination costs	254,604	-
Total 2021	<u>12,546,019</u>	<i><u>11,119,275</u></i>

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Notes to the Financial Statements
For the Period Ended 30 September 2021

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 18 months ending 30 September 2021 £	<i>Total funds 12 months ending 31 March 2020 £</i>
Staff costs	443,007	399,206
Premises (including rent, rates, utilities, repairs and maintenance)	229,284	270,831
Operational supplies and services	51,046	26,495
Establishment	21,040	23,107
Other staff costs	11,972	17,507
Unrecovered VAT	40,134	46,537
Professional and consultancy fees	174,397	99,509
Governance costs	40,726	23,331
Total 2021	1,011,606	906,523

12. Other expenditure

	Unrestricted funds 18 months ending 30 September 2021 £	Total funds 18 months ending 30 September 2021 £	<i>Total funds 12 months ending 31 March 2020 £</i>
(Profit)/loss on disposal of fixed assets	(4,000)	(4,000)	4,753
Impairment of fixed assets	146,898	146,898	-
Total 2021	142,898	142,898	4,753
<i>Total 2020</i>	<i>4,753</i>	<i>4,753</i>	

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Notes to the Financial Statements
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13. Auditors' remuneration

	18 months ending 30 September 2021 £	<i>12 months ending 31 March 2020 £</i>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	13,050	<i>11,700</i>
Fees payable to the Company's auditor in respect of:		
The audit of the subsidiary's annual accounts	<u>2,650</u>	<u><i>2,300</i></u>

14. Staff costs

	Group 18 months ending 30 September 2021 £	<i>Group 12 months ending 31 March 2020 £</i>	Company 18 months ending 30 September 2021 £	<i>Company 12 months ending 31 March 2020 £</i>
Wages and salaries	7,157,322	<i>5,653,537</i>	7,157,322	<i>5,653,537</i>
Social security costs	440,552	<i>328,320</i>	440,552	<i>328,320</i>
Contribution to pension schemes	354,171	<i>287,999</i>	354,171	<i>287,999</i>
Operating costs of defined benefit pension schemes	97,000	<i>194,000</i>	97,000	<i>194,000</i>
	<u>8,049,045</u>	<u><i>6,463,856</i></u>	<u>8,049,045</u>	<u><i>6,463,856</i></u>

During the 18 months ending 30 September 2021, the Charity incurred termination payment costs totalling £139,314 (12 months ending 31 March 2020: £71,978). At the period end and prior period end date, there were no amounts included on the balance sheet relating to termination payments.

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

	Group 18 months ending 30 September 2021 No.	<i>Group 12 months ending 31 March 2020 No.</i>
Charitable	189	<i>203</i>
Management and admin	23	<i>22</i>
	<u>212</u>	<u><i>225</i></u>

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Notes to the Financial Statements
For the Period Ended 30 September 2021

14. Staff costs (continued)

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

	Group 18 months ending 30 September 2021 No.	<i>Group</i> <i>12 months ending</i> <i>31 March</i> <i>2020</i> <i>No.</i>
In the band £70,000 - £79,999	-	1
In the band £80,000 - £89,999	2	1
In the band £90,000 - £100,000	1	-
In the band £140,000 - £149,999	-	1

15. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the period ended 30 September 2021, no Trustee expenses have been incurred (2020 - £NIL).

16. Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2020	320,689
At 30 September 2021	320,689
Amortisation	
At 1 April 2020	320,689
At 30 September 2021	320,689
Net book value	
At 30 September 2021	-
<i>At 31 March 2020</i>	-

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Notes to the Financial Statements
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16. Intangible assets (continued)

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

Company

The Charity had no intangible fixed assets at 30 September 2021 (31 March 2020: £nil).

17. Tangible fixed assets

Group

	Freehold property £	Football pitches/tennis courts £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 1 April 2020	4,550,000	1,203,079	2,742,120	8,495,199
Disposals	-	-	(45,600)	(45,600)
At 30 September 2021	<u>4,550,000</u>	<u>1,203,079</u>	<u>2,696,520</u>	<u>8,449,599</u>
Depreciation				
At 1 April 2020	-	965,891	1,948,465	2,914,356
Charge for the period	-	81,741	374,970	456,711
On disposals	-	-	(45,600)	(45,600)
Impairment charge	-	-	146,898	146,898
At 30 September 2021	<u>-</u>	<u>1,047,632</u>	<u>2,424,733</u>	<u>3,472,365</u>
Net book value				
At 30 September 2021	<u>4,550,000</u>	<u>155,447</u>	<u>271,787</u>	<u>4,977,234</u>
<i>At 31 March 2020</i>	<u>4,550,000</u>	<u>237,188</u>	<u>793,655</u>	<u>5,580,843</u>

Stockport Sports Trust
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Notes to the Financial Statements
For the Period Ended 30 September 2021

17. Tangible fixed assets (continued)

Group (continued)

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

However, as a result of the transfer of the operations and assets of the Group after the balance sheet date to the local authority customers, the freehold property in the prior year was further impaired to its expected realisable value.

As a result of the transfer of the operations and assets of the Group after the balance sheet date to the local authority customers, a number of assets were further impaired to their expected realisable value.

Company

	Football pitches/tennis courts £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2020	1,203,079	2,740,120	3,943,199
Disposals	-	(45,600)	(45,600)
At 30 September 2021	<u>1,203,079</u>	<u>2,694,520</u>	<u>3,897,599</u>
Depreciation			
At 1 April 2020	965,891	1,947,590	2,913,481
Charge for the period	81,741	374,220	455,961
On disposals	-	(45,600)	(45,600)
Impairment charge	-	146,898	146,898
At 30 September 2021	<u>1,047,632</u>	<u>2,423,108</u>	<u>3,470,740</u>
Net book value			
At 30 September 2021	<u>155,447</u>	<u>271,412</u>	<u>426,859</u>
<i>At 31 March 2020</i>	<u>237,188</u>	<u>792,530</u>	<u>1,029,718</u>

Stockport Sports Trust
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Notes to the Financial Statements
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18. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	3,380,199
At 30 September 2021	<u>3,380,199</u>
Impairment	
At 1 April 2020	3,108,999
Reversal of impairment	(133,534)
At 30 September 2021	<u>2,975,465</u>
Net book value	
At 30 September 2021	<u>404,734</u>
<i>At 31 March 2020</i>	<u>271,200</u>

The operations and assets of the Group were transferred to the Local Authorities after the balance sheet date. The investment in subsidiary has therefore been written down to its net realisable value. During the 18 month period, the impairment was partially reversed due to an increase in the net assets of the subsidiary.

Stockport Sports Trust
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Notes to the Financial Statements
For the Period Ended 30 September 2021

18. Fixed asset investments (continued)

Principal subsidiaries

The following is a subsidiary undertaking of the Company:

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

The financial results of the subsidiary for the period were:

Name	Income £	Expenditure £	Profit/(Loss) for the period £	Net assets £
Woodley Sports Centre Limited	1,058,434	(297,009)	761,425	404,734

19. Stocks

	Group 30 September 2021 £	<i>Group</i> <i>31 March</i> <i>2020</i> £	Company 30 September 2021 £	<i>Company</i> <i>31 March</i> <i>2020</i> £
Finished goods and goods for resale	<u>16,684</u>	<u>13,696</u>	<u>16,684</u>	<u>13,696</u>

20. Debtors

	Group 30 September 2021 £	<i>Group</i> <i>31 March</i> <i>2020</i> £	Company 30 September 2021 £	<i>Company</i> <i>31 March</i> <i>2020</i> £
Due within one year				
Trade debtors	1,266,173	607,036	1,266,173	607,036
Amounts owed by group undertakings	-	-	3,845,722	3,877,235
Other debtors	127,648	82,769	123,172	21,390
Prepayments and accrued income	143,616	314,923	143,616	314,923
	<u>1,537,437</u>	<u>1,004,728</u>	<u>5,378,683</u>	<u>4,820,584</u>

Stockport Sports Trust
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Notes to the Financial Statements
For the Period Ended 30 September 2021

20. Debtors (continued)

A reversal of impairment of £32,309 (12 months ending 31 March 2020: impairment loss £15,000) was recognised against trade debtors during the period.

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

21. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Company	<i>Company</i>
	30 September	<i>31 March</i>	30 September	<i>31 March</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Bank loans	4,123,629	<i>500,048</i>	4,123,629	<i>500,048</i>
Trade creditors	715,262	<i>405,954</i>	715,262	<i>405,954</i>
Other taxation and social security	315,870	<i>248,176</i>	253,377	<i>185,683</i>
Other creditors	48,793	<i>12,715</i>	48,759	<i>12,681</i>
Accruals	2,140,795	<i>820,777</i>	2,137,346	<i>816,729</i>
Deferred income	1,195,632	<i>1,163,067</i>	851,522	<i>1,140,474</i>
	<u>8,539,981</u>	<u><i>3,150,737</i></u>	<u>8,129,895</u>	<u><i>3,061,569</i></u>

Bank loans comprise a £1m fixed loan at an interest rate of 4.04% and a variable loan at an interest rate of 2.3% above base rate. Both loans were taken out in 2018 to part-finance the acquisition of Woodley Sports Centre Limited. The loans are repayable over 10 years and are secured by fixed and floating charges over the assets of Stockport Sports Trust and Woodley Sports Centre Limited. As a result of the accounts not being prepared on a going concern basis and due to the timing of the sale of the trade and assets of the Group, all amounts have been shown at the balance sheet date as owing in less than one year.

Stockport Sports Trust
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Notes to the Financial Statements
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22. Creditors: Amounts falling due after more than one year

	Group	<i>Group</i>	Company	<i>Company</i>
	30 September	<i>31 March</i>	30 September	<i>31 March</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Bank loans	-	3,993,082	-	3,993,082
Other tax and social security	-	125,804	-	-
Deferred income	-	355,066	-	-
				<u>3,993,082</u>
	<u>-</u>	<u>4,473,952</u>	<u>-</u>	<u>-</u>

Bank loans comprise a £1m fixed loan at an interest rate of 4.04% and a variable loan at an interest rate of 2.3% above base rate. Both loans were taken out in 2018 to part-finance the acquisition of Woodley Sports Centre Limited. The loans are repayable over 10 years and are secured by fixed and floating charges over the assets of Stockport Sports Trust and Woodley Sports Centre Limited. As a result of the accounts not being prepared on a going concern basis and due to the timing of the sale of the trade and assets of the Group, all amounts have been shown at the balance sheet date as owing in less than one year.

Included within the above are amounts falling due as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	30 September	<i>31 March</i>	30 September	<i>31 March</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Between one and two years				
Bank loans	<u>-</u>	<u>3,993,082</u>	<u>-</u>	<u>3,993,082</u>

23. Accruals and deferred income

	Group	<i>Group</i>	Company	<i>Company</i>
	30 September	<i>31 March</i>	30 September	<i>31 March</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Deferred income at 1 April 2020	1,518,133	1,351,704	1,140,474	949,414
Resources deferred during the period	851,522	1,140,474	851,522	1,140,474
Amounts released from previous periods	(1,174,023)	(974,045)	(1,140,474)	(949,414)
Deferred income at 30 September 2021	<u>1,195,632</u>	<u>1,518,133</u>	<u>851,522</u>	<u>1,140,474</u>

Stockport Sports Trust
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Notes to the Financial Statements
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24. Deferred taxation

	30 September 2021 £	<i>31 March 2020 £</i>
Group and Company		
At the beginning of the period	-	270,151
Charge/(Credit) for the period	-	(270,151)
	<u>-</u>	<u>-</u>

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

25. Provisions

Group and Company

	Insurance provision £
At 1 April 2020	139,999
Additions	75,000
Amounts used	(569)
	<u>214,430</u>

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

Stockport Sports Trust
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Notes to the Financial Statements
For the Period Ended 30 September 2021

26. Statement of funds

Statement of Group funds - current year

	Balance at 1 April 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 30 September 2021
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
Adult Inactivity	-	-	-	84,586	-	84,586
General funds						
General Funds	(414,765)	12,015,609	(13,131,098)	-	(1,557,000)	(3,087,254)
Total Unrestricted funds	(414,765)	12,015,609	(13,131,098)	84,586	(1,557,000)	(3,002,668)
	Balance at 1 April 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 30 September 2021
	£	£	£	£	£	£
Restricted funds						
SMILE	11,127	9,116	(9,116)	-	-	11,127
Local Delivery Pilot	-	57,529	(57,529)	-	-	-
SPA	(8,930)	290,846	(243,102)	-	-	38,814
Children in Need	2,055	11,959	(12,223)	-	-	1,791
Satellite Clubs	410	7,000	(7,000)	-	-	410
Reaching Communities	-	153,703	(153,703)	-	-	-
HAF	-	83,946	(83,946)	-	-	-
Earmarked Funding Accounts	39,203	-	(29,402)	-	-	9,801
Adult Inactivity	79,587	11,278	(6,279)	(84,586)	-	-
Total Restricted funds	123,452	625,377	(602,300)	(84,586)	-	61,943
Total of funds	(291,313)	12,640,986	(13,733,398)	-	(1,557,000)	(2,940,725)

Stockport Sports Trust
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Notes to the Financial Statements
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26. Statement of funds (continued)

Statement of Group funds - prior year

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

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Notes to the Financial Statements
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26. Statement of funds (continued)

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

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Notes to the Financial Statements
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26. Statement of funds - continued

Designated funds

Adult inactivity covers a range of physical activity projects including SMILE and Active Ageing programmes, as well as the continuation of the sustainable I Wish I'd Tried sessions. These sessions engage previously inactive adults (25+) in welcoming, sociable and engaging sport and physical activity opportunities across Stockport. Each programme aims to tackle inactivity in innovative ways and further develop as a preventative tool to reduce sedentary behaviours in the community.

Restricted funds

SMILE (Simple Movements Improve Life Everyday) is a low impact and gentle exercise concept that offers a consistent activity and an effective preventative tool to increase levels of physical activity in older adults. The project aims to help create positive habits for older adults, to tackle social isolation and loneliness in the community by not only providing physical activity to improve physical health, but to deliver provision which is social, fun and beneficial for helping to improve the health and emotional wellbeing of older adults.

LDP (Local Delivery Pilot): Funded by Sport England and led through GM Moving and Greater Sport, Life Leisure is the lead delivery organisation for the Stockport Local Pilot and works closely with Stockport Council, Age UK Stockport and the Seashell Trust to manage the project which focuses on population scale change in physical activity behaviour. The focus of the work is in Brinnington and the Trust are engaging residents and services to ensure a joined up approach to physical activity, health and wellbeing.

SPA represents the Specialist Physical Activity service for Stockport. Initially a 4 year contract starting in October 2016, SPA is the umbrella name for 3 smaller sub-services which are made up of the following:

Stay Steady: Six month postural stability programme to reduce the risk of falls in older adults.

Cardiac Rehabilitation Phase 4: Supporting those who have had a recent coronary event and have completed phase 3 cardiac rehabilitation, encouraging participants to maintain a more healthy and active lifestyle under the guidance of BACPR qualified instructors.

PARiS: Six month health professional exercise referral programme to support those who are inactive and have chronic health conditions to increase their physical activity levels to better manage their symptoms.

Children in Need funding continues the good work from the Fit & Fed project which focused delivery in Stockport's priority 1 & 2 areas and provided children with a nutritious lunch in addition to fun, engaging activities in a safe environment. The Children in Need project has expanded delivery across the borough and allows us to provide activities in every school holiday period for the next 3 years.

Satellite Clubs is a Sport England funded initiative aimed at 14 to 19 year olds. The project provides local sport and physical activity clubs which are designed around the needs of young people and creates enjoyable experiences that promote an active and healthy lifestyle. Life Leisure manages the programme in Stockport working with sports clubs and local delivery partners as well as being the main point of contact for the County Sports Partnership.

Reaching Communities is a 3 year funded project via the BIG Lottery Fund. "R Time" is a youth engagement project which is delivered across the borough but focuses on priority areas, aiming to reduce instances of anti-social behaviour in our communities by 10% each year. The project has been co-produced with partner organisations, with Life Leisure as the lead applicant and fills a gap created by funding cuts at local and national level. A special projects element of the funding is designed to allow local groups and organisations to apply for money that will enable them to engage with hard to reach young people.

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Notes to the Financial Statements
For the Period Ended 30 September 2021

26. Statement of funds - continued

HAF (Holiday Activities and Food): Funded through the Department for Education and managed through Stockport Council, Life Leisure's activity camps support the coordination of the Holiday Activities and Food (HAF) programme across Stockport for children and young people aged 5-16 year olds. The Trust engages with schools and communities to tailor activities to provide an adaptive service and an enjoyable physical activity and healthy eating experience for families, including our SEND activity camps.

Earmarked Funding accounts represents monies received from Stockport MBC in respect of capital projects financed through NNDR funding. The last tranche of the funding was received in 2011-12.

Club Development Fund: Life Leisure provides funding opportunities for local amateur sports clubs and associations to upskill volunteers and sports coaches to enhance the quality of provision in the local community.

Stockport Metro Swimming Club pays Life Leisure an annual contribution towards the staffing costs of the performance coaching team.

27. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 30 September 2021 £	Restricted funds 30 September 2021 £	Total funds 30 September 2021 £
Tangible fixed assets	4,967,434	9,800	4,977,234
Current assets	3,644,309	52,143	3,696,452
Creditors due within one year	(8,539,981)	-	(8,539,981)
Provisions for liabilities and charges	(3,074,430)	-	(3,074,430)
Total	<u>(3,002,668)</u>	<u>61,943</u>	<u>(2,940,725)</u>

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27. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	5,541,641	39,202	5,580,843
Current assets	2,972,282	84,250	3,056,532
Creditors due within one year	(3,150,737)	-	(3,150,737)
Creditors due in more than one year	(4,473,952)	-	(4,473,952)
Provisions for liabilities and charges	(1,303,999)	-	(1,303,999)
Total	<u>(414,765)</u>	<u>123,452</u>	<u>(291,313)</u>

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

	Group 18 months ending 30 September 2021 £	<i>Group 12 months ending 31 March 2020 £</i>
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(1,092,412)	<i>936,344</i>
Adjustments for:		
Depreciation charges	456,711	<i>357,753</i>
Amortisation charges	-	<i>32,069</i>
Interest income	(846)	<i>(3,327)</i>
(Profit)/loss on the sale of investments	-	<i>(105,139)</i>
(Profit)/loss on the sale of fixed assets	(4,000)	<i>4,753</i>
(Increase)/decrease in stocks	(2,988)	<i>10,478</i>
(Increase) in debtors	(532,710)	<i>(91,058)</i>
Increase/(decrease) in creditors	1,284,794	<i>(3,822)</i>
Additional actuarial pension cost	139,000	<i>258,000</i>
Finance cost	175,993	<i>152,973</i>
Movement on insurance provision	74,431	<i>(25,772)</i>
Movement on deferred taxation	-	<i>(270,151)</i>
Impairment of fixed assets	146,898	<i>-</i>
Net cash provided by operating activities	<u>644,871</u>	<i><u>1,253,101</u></i>

29. Analysis of cash and cash equivalents

	Group 30 September 2021 £	<i>Group 31 March 2020 £</i>
Cash in hand	2,142,331	<i>2,038,108</i>
Total cash and cash equivalents	<u>2,142,331</u>	<i><u>2,038,108</u></i>

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30. Analysis of changes in net debt

	At 1 April 2020	Cash flows	Other non-cash changes	At 30 September 2021
	£	£	£	£
Cash at bank and in hand	2,038,108	104,223	-	2,142,331
Debt due within 1 year	(500,048)	369,501	(3,993,082)	(4,123,629)
Debt due after 1 year	(3,993,082)	-	3,993,082	-
	<u>(2,455,022)</u>	<u>473,724</u>	<u>-</u>	<u>(1,981,298)</u>

31. Pension commitments

Defined contribution scheme

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The charge to the statement of financial activities in respect of contributions paid to the The People's Pension Fund during the 18 months ending 30 September 2021 was £75,252 (12 months ending 31 March 2020: £55,185). Contributions totalling £11,726 (31 March 2020: £11,448) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit scheme - Cumbria Pension Fund

The charge to the statement of financial activities in respect of contributions paid to the Cumbria Pension Fund during the 18 months ending 30 September 2021 was £120,585 (12 months ending 31 March 2020: £72,657). Contributions totalling £6,998 (31 March 2020: £8,138) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit scheme - Greater Manchester Pension Fund

The provision for retirement benefits relates to the deficit arising in the defined benefit pension scheme as measured by Hymans Robertson, the scheme actuary, at the balance sheet date. The scheme is revalued every year and will vary according to changes in the assumptions used and movement in scheme membership.

Contributions totalling £10,989 (31 March 2020: £14,691) were payable to the fund at the balance sheet date and are included in creditors.

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

	At 30 September 2021	At 31 March 2020
	%	%
Discount rate	2.0	2.3
Future salary increases	3.0	1.8
Future pension increases	<u>3.0</u>	<u>1.8</u>

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31. Pension commitments (continued)

	At 30 September 2021 Years	<i>At 31 March 2020 Years</i>
Mortality rates (in years) at 30 September 2021		
- for a male aged 65	20.5	20.5
- at 65 for a male aged 45	21.9	22
- for a female aged 65	23.3	23.1
- at 65 for a female aged 45	<u>25.3</u>	<u>25</u>

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

	At 30 September 2021 £	<i>At 31 March 2020 £</i>
Equities	11,476,080	8,849,250
Debt instruments	2,494,800	1,923,750
Property	1,330,560	897,750
Cash and other liquid assets	1,330,560	1,154,250
Total fair value of assets	<u><u>16,632,000</u></u>	<u><u>12,825,000</u></u>

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

	18 months ending 30 September 2021 £	<i>12 months ending 31 March 2020 £</i>
Current service cost	258,000	354,000
Interest income	(441,000)	(339,000)
Interest cost	483,000	403,000
Total amount recognised in the Consolidated Statement of Financial Activities	<u><u>300,000</u></u>	<u><u>418,000</u></u>

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31. Pension commitments (continued)

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

	30 September 2021 £	<i>31 March 2020 £</i>
Opening defined benefit obligation	13,989,000	16,671,000
Current service cost	258,000	354,000
Interest cost	483,000	403,000
Contributions by scheme participants	52,000	56,000
Actuarial losses/(gains)	5,158,000	(3,223,000)
Benefits paid	(448,000)	(272,000)
Closing defined benefit obligation	<u>19,492,000</u>	<u>13,989,000</u>

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

	30 September 2021 £	<i>31 March 2020 £</i>
Opening fair value of scheme assets	12,825,000	14,134,000
Expected return on assets	441,000	339,000
Actuarial gains/(losses)	3,601,000	(1,592,000)
Contributions by employer	161,000	160,000
Contributions by scheme participants	52,000	56,000
Benefits paid	(448,000)	(272,000)
Closing fair value of scheme assets	<u>16,632,000</u>	<u>12,825,000</u>

	30 September 2021 £	<i>31 March 2020 £</i>
Fair value of plan assets	16,632,000	12,825,000
Present value of plan liabilities	(19,492,000)	(13,989,000)
Defined benefit pension scheme liability	<u>(2,860,000)</u>	<u>(1,164,000)</u>

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31. Pension commitments (continued)

	30 September 2021 £	<i>31 March 2020 £</i>
Actual return on scheme assets	4,042,000	<i>(1,253,000)</i>
Less calculated interest element	(441,000)	<i>(339,000)</i>
Return on scheme assets excluding interest income	3,601,000	<i>(1,592,000)</i>
Actuarial changes related to obligations	(5,158,000)	<i>(3,223,000)</i>
Actuarial gains/(losses) on defined benefit pension schemes	<u>(1,557,000)</u>	<i><u>1,631,000</u></i>

The operations and assets of the Group were transferred to the Local Authorities after the balance sheet date. Consequently, the pension scheme obligations were transferred to either the relevant Local Authorities or their new trading companies.

32. Operating lease commitments

At 30 September 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 30 September 2021 £	<i>Group 31 March 2020 £</i>	Company 30 September 2021 £	<i>Company 31 March 2020 £</i>
Not later than 1 year	267,829	<i>329,908</i>	927,575	<i>989,654</i>
Later than 1 year and not later than 5 years	956,031	<i>1,021,250</i>	3,595,015	<i>3,660,234</i>
Later than 5 years	2,738,805	<i>3,111,784</i>	3,343,572	<i>4,694,637</i>
	<u>3,962,665</u>	<i><u>4,462,942</u></i>	<u>7,866,162</u>	<i><u>9,344,525</u></i>

The operations and assets of the Group were transferred to the Local Authorities after the balance sheet date. Consequently, the operating lease obligations were either extinguished or transferred to the relevant Local Authorities.

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33. Related party transactions (continued)

33. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	18 months ending 30 September 2021 £	<i>12 months ending 31 March 2020 £</i>
Aggregate compensation	369,207	<i>337,127</i>
Termination payments	139,314	<i>-</i>
	<u>508,521</u>	<i><u>337,127</u></i>

Transactions with related parties

During the 18 months ending 30 September 2021, Stockport Metro Swimming Club paid Life Leisure £20,000 (12 months ending 31 March 2020: £60,000) for use of their facilities. Mr J Pate is an officer of both entities.

34. Post balance sheet events

Due to the severe impact of Covid-19, the leisure services that were provided by the Group were taken back under direct control of the relevant local authority clients from 1 February 2022 for Barrow and 1 April 2022 for Stockport. This was considered to be the most effective way to ensure continuity of services and protection of jobs.

As explained in the Trustees report, the Group and Company ceased operations on 31 March 2022 and will subsequently aim to complete a solvent liquidation within 12 months of the date these financial statements have been authorised and issued. As a result these financial statements have been prepared on a basis other than that of a going concern. This basis includes, where applicable, writing the Group's assets down to net realisable value. No provision has been made for any future costs of liquidating the business unless such costs were committed at the reporting date.

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