

BOLTON MIDDLEBROOK LEISURE TRUST

FINANCIAL STATEMENTS

31 MARCH 2022

**Registered charity No: 1087039
Registered company No: 04165498**

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**BARLOW ANDREWS LLP
CHARTERED ACCOUNTANTS
BOLTON**

BOLTON MIDDLEBROOK LEISURE TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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BOLTON MIDDLEBROOK LEISURE TRUST

TRUSTEES' REPORT

Reference and administrative information

| | |
|--|--|
| Charity Name: | Bolton Middlebrook Leisure Trust Also trades under the name of Bolton Arena |
| Charity registration number: | 1087039 |
| Company registration number: | 04165498 |
| Registered office and operational address: | Bolton Arena Arena Approach Bolton |

Trustees

| | |
|----------------|--------------------------|
| Mr J Byrne | Chair |
| Mr J M McBrien | |
| Mr A E Jones | |
| Mrs S A Hilton | |
| Mr A Matthaïou | |
| Mr M Pollitt | Appointed 1 January 2022 |
| Mr N Ayub | Appointed 8 July 2022 |
| Mrs M Brady | Appointed 5 July 2022 |

Secretary

Mr N Hutchinson

Senior Management Team

| | |
|-----------------|------------------------------------|
| Mr N Hutchinson | Managing Director |
| Mr S Sharrock | Operations Manager |
| Mrs S Hayes | Head of Partnerships & Communities |
| Mr J Ashley | Head of Commercial |
| Mr S Kay | Head of Sport |
| Mrs K Platt | Head of Human Resources |

Auditor

Barlow Andrews LLP, Carlyle House, 78 Chorley New Road, Bolton

Bankers

The Co-operative Bank PLC, Knowsley Street, Bolton
Santander Corporate & Commercial Banking, Bridle Road, Bootle

Solicitors

DWF Solicitors, 1 Scott Place, Manchester

BOLTON MIDDLEBROOK LEISURE TRUST

TRUSTEES' REPORT

(Continued)

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the company's Memorandum and Articles of Association, the Charities Act 2011 and "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 (FRS102) (effective 1 January 2019)".

Structure, governance and management

Governing document

Bolton Middlebrook Leisure Trust is a company limited by guarantee, incorporated on 22 February 2001 and registered as a charity on 18 June 2001. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The company meets the definition of a public benefit entity under FRS102.

Trustees

The trustees, who are also directors of the charity for the purposes of company law, are the members of the company. As the company is limited by guarantee they have no interest in share capital. The liability of members is limited to £10 each.

The trustees in post at the date of this report are as listed on page 1. In addition, the following trustees also served during the year but resigned on the dates given: Mr A Duckworth (15 February 2022), Mr P Holliday (15 February 2022), Mr JR Holden (1 March 2022), Dr W Bhatiani (31 July 2022) and Mr A Zaman (1 October 2022).

All trustees give their time freely and no trustee remuneration was paid during the year. Details of trustee "out of pocket" expenses are disclosed in the accounts. Trustees are required to disclose all relevant interests and register them with the company secretary and, in accordance with the Bolton Arena policy, withdraw from decisions where a conflict of interest may arise.

Recruitment and appointment of trustees

The recruitment and appointment of Trustees at Bolton Middlebrook Leisure Trust follows the conditions established within the Company's Memorandum and Articles of Association. Board members are made up from the following categories:

| | <u>Maximum</u> |
|--|----------------|
| ▪ Local Business | 5 |
| ▪ Education | 5 |
| ▪ The Borough Council of Bolton/Public Authorities (not being local Authorities) Local Recreational and Voluntary organisations | 10 |

Trustee induction and training

All trustees undergo an official induction into the workings of Bolton Middlebrook Leisure Trust. The induction covers:

- The obligations of Board members and their responsibilities.
- The main documents which set out the Arena's mission, vision and values.
- Financial background and key strategic priorities.
- Future plans and priorities.
- Memorandum and Articles.

BOLTON MIDDLEBROOK LEISURE TRUST

TRUSTEES' REPORT

(Continued)

Related parties

Certain trustees have an association with companies and organisations that use the Trust's facilities, including Emerson, Bolton Council, Age UK Bolton and Orseol. These are undertaken in accordance with the charity's normal terms of business and on an arm's length basis, which the charity is able to demonstrate. IT support is also provided by Digicom, whose managing director is a trustee of the charity. Any discussions surrounding the supply of IT services would exclude the related trustee.

Organisation structure

The organisation structure of Bolton Middlebrook Leisure Trust is that the Board of Trustees is responsible for the governance of the Trust and the day to day running is the responsibility of the Managing Director and appointed managers within the predetermined levels of authority.

The Board of Trustees meets quarterly, along with the senior management team and determines the strategic direction of the charity. The Board currently has 8 members from a variety of backgrounds. The day to day responsibility and management of the Arena rests with the senior management team. The Managing Director has overall responsibility for delivering the aims and objectives of the Trust, ensuring that Bolton Arena serves all sections of the local community.

The pay and remuneration of the Managing Director is approved by the Board and reviewed on an annual basis in line with performance. The Managing Director makes annual appraisals of senior staff to assess performance against agreed objectives and reviews pay on an annual basis.

There is a wholly owned subsidiary of the Trust, Bolton Arena Trading Limited, which provides catering and retail facilities. It pays a monthly management charge to the charity and is managed by the Operations Manager of the Trust.

Other relationships

Bolton Council owns the sports and leisure premises occupied by the Trust. The Council has appointed the Trust to operate and manage the sports and leisure facilities, under a 25 year management agreement that commenced in 2001. As part of this agreement the Charity must pay an agreed amount each year into a fund held by Bolton Council, known as the sinking fund, which is to be used against future repairs of the building. Funds for repairs may be claimed from this fund in writing from the Council. During the current financial year, the Trust was not required to contribute towards this fund, given the impact of the coronavirus pandemic.

Risk management policy

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust and are satisfied that adequate systems are in place to mitigate our exposure to the major risks.

Objectives and activities

The charity is established to provide world class facilities, programmes and events that inspire people of all ages, backgrounds and abilities to follow a lifelong passion for sport and healthy activities.

Principal activities and objectives

The activities of the charity are to provide or assist in providing facilities for recreation, physical education or other leisure time occupation for the general benefit of those living and working in Bolton and its surrounding neighbourhood. In addition, to educate and assist young persons from these areas through leisure activities, to develop their physical, mental and spiritual capacities so that their condition of life may be improved and, in furtherance of that objective, to make available to them the facilities provided by the charity, lecture classes, training and coaching facilities. The Arena has also diversified into organising and hosting major national and international events.

Each year the trustees review the objectives and activities of the charity to ensure they continue to reflect our aims. In carrying out this review, the trustees have considered the Charity Commission's general guidance on public benefit and the trustees are more than satisfied that they do, as reflected in the achievements and performance in the year.

BOLTON MIDDLEBROOK LEISURE TRUST

TRUSTEES' REPORT

(Continued)

Achievements and performance

The year has been challenging after the initial recovery from COVID. With rises in national minimum wage, national insurance and a general rise in our operating costs, the ability to generate a surplus has been squeezed. Bolton Arena staff have all worked really hard to generate new ideas and bring in new business to ensure we are maximising the usage and income from facilities and operations.

Conferencing is something that has been slower than most areas to recover, with some bookings not having returned or having reduced permanently due to hybrid/remote working. The cafe is an area that has also been slower to recover and suffered from a very high turnover of staff over the last year.

We have also been working hard with Bolton Council and other stakeholders to re-focus and ensure we are aligned with the Bolton Council vision and our charitable objectives. This has resulted in co-location of Bolton Council sports development team 'Sport in Bolton' and several allocations of HAFF funding for holiday activities during the school holidays and we continue to build on this relationship.

We were finalists in the local Bolton Business awards and are now also finalists in the national fitness awards in December in the Leisure Trust Gym of the Year category.

Investment into the equipment and facilities

Capital investment is something that has been a priority after being 2-3 years behind with the sinking fund investment against the building condition survey. Procuring new boilers and project managing the install before winter has been a major project. We have also invested over £250k into general decoration, changing upgrades and maintenance. This programme will continue into 2023/24. Progress has been slow, mainly due to the constraints and resources of Bolton Council and its partners.

Programming and Sports Education

The development of Bolton Arena as a sporting hub for the community is something that has been a priority to re-establish and grow post-covid.

Our partnership with Horwich Harriers has been renewed and refreshed, resulting in several new running groups and a planned Santa dash in December. Our partnership with Age UK has continued to thrive over the last year with some real success with walking football.

We are a full member of the newly formed CIC charity GM Active, working collaboratively with other leisure trusts across Greater Manchester. This has continued to grow over the year, with potentially more access to funding, and we have had staff access the transformation leadership course run by them. We participated in a cancer pre-hab pilot programme, and this is something that is further developing across Greater Manchester.

GM Active is a collective of 12 leisure and community organisations from across Greater Manchester that are all part of the same movement to get more people physically active. The group accounts for 87 leisure and sports facilities across the region, with a combined reach of 30 million visits a year, playing a major role in the health of our communities. This will support us in growing our customer base and increasing our social value across Bolton.

BOLTON MIDDLEBROOK LEISURE TRUST

TRUSTEES' REPORT

(Continued)

Tennis

We continue to be recognised as a regional player development centre. A staff restructure and recruitment of a Head of Tennis Performance has further cemented our position as one of the UK's leading centres. We have also maintained our increased focus upon junior courses and community outreach tennis within schools, the local parks and clubs, along with developing our own tournament schedule.

Our outreach and community tennis program encourages and facilitates multiple groups to try tennis. We continue to host large national and international tournaments throughout the year.

Football and outdoor

Bolton Arena boasts nine artificial football pitches, along with an 11-a-side grass pitch and a six-lane running track. Five thousand customers each week utilise the facilities for their fitness, training and competition requirements.

The 5-a-side league programme is well recognised within the community for the quality of its product; 130 teams now play regularly in organised leagues throughout the week.

More recently, Arena Football has introduced a walking football programme, giving men aged 50 and over the chance to play football in a socially organised environment. Women's walking football has also been launched and we have had early success at a national level and are blazing the trail with women's walking football.

Financial Review

The Trust reported a net surplus of £263,898 on its consolidated statement of financial activities, with the charity itself reporting a net surplus of £250,122 for the year.

Principal funding sources

The majority of the Trust's income is generated from the sporting, recreational and educational activities that take place within the facility. Included in other income is monies received from Bolton Council. Grant funding is received from the Lawn Tennis Association and is in respect of Performance Tennis. This income is included within charitable activities. Trading activities include revenue from the trading subsidiary, revenue from the management of a local school's sports facilities which are made available to the general public, rental income from spare office space within the premises and car parking, advertising revenue and sponsorship of the Arena's name.

Investment policy

There are currently few funds available for longer term investment, as such cash balances are managed to ensure any balances not required for daily working capital are placed in interest bearing deposit accounts. Once the Trust is in the position to consider other investment opportunities a more detailed investment policy will be considered by the Trustees.

Reserves policy

The Trust will hold in specific reserves amounts relating to a repairs and renewal fund. This ensures the general fabric of the Arena is maintained. The detailed profile for the expected value of these funds is given in the Management Agreement.

In addition, the Trust intends to target an annual surplus in the region of 4% of turnover in order to generate a general free reserve which should equate to 6 months of salary and fixed running costs. The general free reserves will be available to meet any shortfall between the anticipated income and budgeted outgoings and any unforeseen expenditure. It will also be available to assist in the funding of new activities not foreseen in future budgets. At 31 March 2022, the individual charity's free reserves were £656,041 (being unrestricted funds less designated funds and fixed assets).

BOLTON MIDDLEBROOK LEISURE TRUST

TRUSTEES' REPORT

(Continued)

Covid19 – going concern

The Coronavirus pandemic has had a major impact on the organisation, as substantial periods of enforced closure have placed significant challenges on the Trust. As a result of the strong financial position going into the pandemic, the organisation has been able to weather the storm. Looking forward and taking into account our reserves and cashflow positions, combined with projections for the year ahead, we are confident that the Trust will be in a position to continue and return to its longer-term strategic goals.

Employees

Our employees are the most important ingredient in our success. We employ over 100 people and are committed to their welfare and personal development. We offer competitive terms of employment and have a robust personal appraisal system.

After Kathryn Platt our HR manger retired, we now work with a specialist HR consultant CUBE who support our HR function and senior team this is still in its early stages, and we will review in early 2023.

Disabled persons are not treated less favourably than the non-disabled persons. Reasonable adjustments are made to give a disabled person as much access to any service and the ability to be employed, trained or promoted as a non-disabled person.

We communicate regularly with our employees through monthly team meetings and bi-annual whole staff meetings to help maintain a healthy work force and promote advocates of the service we manage.

Financial Performance

The trustees consider a number of key performance indicators, both financial and non-financial.

| | 2022 | 2021 |
|--------------------------------|-----------|-----------|
| | £ | £ |
| Turnover | 2,296,830 | 1,310,736 |
| Net surplus/(deficit) | 263,898 | (190,304) |
| Total health & fitness members | 2,493 | 2,256 |

Income has risen by £986,094, which reflects an increase in charitable activities of £1,211,384 and in trading activities of £293,361. In contrast, other operating income, which largely comprises CJRS income, has fallen by £527,627. The movements in income reflect the easing of the coronavirus pandemic during the year, with resultant lockdowns having a significant impact on health and fitness memberships and visits to the Arena in the prior year, with the centre remaining closed for large periods.

At 31 March 2022, the Group had total reserves of £1,162,459 (2021: £898,561) of which £107,363 (2021: £104,722) were restricted funds and £311,910 (2021: £334,981) had been designated to the building maintenance fund which will be spent as and when required.

Plans for future periods

Some of the areas we will be focussing on in the coming year are:

- Refurbishment and upgrade of the conferencing areas.
- Growing our involvement and our workforce to enable us to respond to funding opportunities arising out of Greater Manchester-wide health and wellbeing programs, specifically through our involvement with GM Active, an association of Leisure Trusts covering all 10 boroughs within the area.
- Completing and rolling out our marketing and brand review.
- Cafe & hospitality review and upgrade of facilities and type of offer.

BOLTON MIDDLEBROOK LEISURE TRUST

TRUSTEES' REPORT

(Continued)

Responsibilities of trustees

Company law requires the directors of the charity (namely the trustees) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming and application of resources, including the income and expenditure of the charitable company for that year. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will be able to continue to meet its objectives.

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

Further, the trustees are responsible for preparing their Trustees' Report which should disclose the legal and administrative details of the charity and contain a narrative report explaining the organisation's objects, a review of the development, activities and achievements of the charity during the period and of its financial performance and position.

Statement of disclosure to auditors

So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and as the directors of the company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

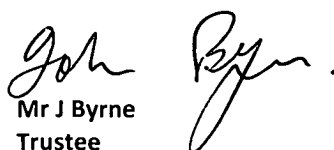
Auditor

A resolution for the reappointment of Barlow Andrews LLP as auditor is to be proposed at the forthcoming Annual General Meeting. The trustees recommend that Barlow Andrews LLP remain in office until further notice.

Your attention is drawn to the fact that the charity has prepared accounts in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has not been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with UK Generally Accepted Accounting Practice.

This report is approved by the trustees on 7 November 2022 and signed on its behalf by


Mr J Byrne
Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BOLTON MIDDLEBROOK LEISURE TRUST**

Opinion

We have audited the financial statements of Bolton Middlebrook Leisure Trust (the 'parent company') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, 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 the Financial Reporting Standard 102, 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 and charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Companies Act 2006.

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BOLTON MIDDLEBROOK LEISURE TRUST

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and its environment, obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 statement of trustees' responsibilities, the trustees (who are also directors of Bolton Middlebrook Leisure Trust 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 and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, taxation legislation and data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's and the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BOLTON MIDDLEBROOK LEISURE TRUST

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative or potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

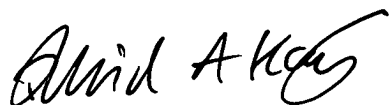
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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 auditor's report.

Use of our report

This report is made solely to the group and charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the members as a body, for our audit work, for this report, or for the opinion we have formed



David A Kay FCA (Senior Statutory Auditor)
For and on behalf of Barlow Andrews LLP
Chartered Accountants and Statutory Auditor
Carlyle House, 78 Chorley New Road, Bolton

7 November 2022

BOLTON MIDDLEBROOK LEISURE TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

| | Note | 2022 Unrestricted Funds £ | 2022 Restricted Funds £ | 2022 Total Funds £ | 2021 Unrestricted Funds £ | 2021 Restricted Funds £ | 2021 Total Funds £ |
|--|------|------------------------------------|----------------------------------|-----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Income | | | | | | | |
| Grants – National Lottery Covid Recovery Support | | - | 122,870 | 122,870 | - | - | - |
| Charitable activities | 4 | 1,608,636 | 80,007 | 1,688,643 | 521,319 | 68,810 | 590,129 |
| Other trading activities | 5 | 397,098 | - | 397,098 | 103,737 | - | 103,737 |
| Investments | 6 | 1,724 | - | 1,724 | 2,748 | - | 2,748 |
| Other operating income | 7 | 86,495 | - | 86,495 | 614,122 | - | 614,122 |
| Total income | | 2,093,953 | 202,877 | 2,296,830 | 1,241,926 | 68,810 | 1,310,736 |
| Expenditure on | | | | | | | |
| Raising funds | | 216,992 | - | 216,992 | 205,248 | - | 205,248 |
| Charitable activities | | 1,738,575 | 77,366 | 1,815,941 | 1,272,192 | 23,600 | 1,295,792 |
| Total expenditure | 8 | 1,955,567 | 77,366 | 2,032,933 | 1,477,440 | 23,600 | 1,501,040 |
| Net income/(expenditure) for the year | | 138,386 | 125,511 | 263,897 | (235,514) | 45,210 | (190,304) |
| Transfers between funds | | - | - | - | - | - | - |
| Net movement in funds | | 138,386 | 125,511 | 263,897 | (235,514) | 45,210 | (190,304) |
| Reconciliation in funds | | | | | | | |
| Total funds brought forward | | 793,839 | 104,722 | 898,561 | 1,029,353 | 59,512 | 1,088,865 |
| Total funds carried forward | | 932,225 | 230,233 | 1,162,458 | 793,839 | 104,722 | 898,561 |

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

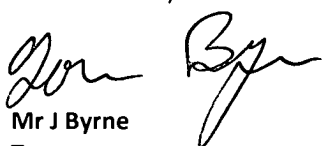
BOLTON MIDDLEBROOK LEISURE TRUST
CONSOLIDATED AND CHARITY
BALANCE SHEETS AS AT 31 MARCH 2022

| | Notes | Group 2022 £ | Charity 2022 £ | Group 2021 £ | Charity 2021 £ |
|---|-------|--------------------|----------------------|--------------------|----------------------|
| Fixed Assets | | | | | |
| Tangible assets | 14 | 89,457 | 86,283 | 115,636 | 109,947 |
| Investments | 15 | - | 1 | - | 1 |
| | | <u>89,457</u> | <u>86,284</u> | <u>115,636</u> | <u>109,948</u> |
| Current Assets | | | | | |
| Stock | | 12,281 | - | 6,797 | - |
| Debtors | 16 | 214,878 | 276,739 | 90,033 | 125,625 |
| Bank and cash balances | | 1,143,007 | 1,084,083 | 956,212 | 940,978 |
| | | <u>1,370,166</u> | <u>1,360,822</u> | <u>1,053,042</u> | <u>1,066,603</u> |
| Creditors: amounts falling due within one year | 17 | (297,165) | (285,508) | (270,117) | (265,075) |
| Net current assets | | <u>1,073,001</u> | <u>1,075,314</u> | <u>782,925</u> | <u>801,528</u> |
| Total assets less current liabilities | | <u>1,162,458</u> | <u>1,161,598</u> | <u>898,561</u> | <u>911,476</u> |
| Net assets | | <u>1,162,458</u> | <u>1,161,598</u> | <u>898,561</u> | <u>911,476</u> |
| Total funds of the charity | | | | | |
| Unrestricted income funds | | | | | |
| General | 19 | 620,315 | 619,455 | 458,858 | 471,773 |
| Designated | 19 | 311,910 | 311,910 | 334,981 | 334,981 |
| | | <u>932,225</u> | <u>931,365</u> | <u>793,839</u> | <u>806,754</u> |
| Restricted funds | 20 | 230,233 | 230,233 | 104,722 | 104,722 |
| Total reserves | | <u>1,162,458</u> | <u>1,161,598</u> | <u>898,561</u> | <u>911,476</u> |

As permitted by S408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £250,122 (2021: £163,659 loss).

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees and authorised for issue on 7 November 2022 and signed on its behalf by:


Mr J Byrne
Trustee

Company registration number 04165498

BOLTON MIDDLEBROOK LEISURE TRUST

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 £ | 2021 £ |
|---|--------------|-------------------------|-----------------------|
| Net cash generated by/(used in) operating activities | 22 | <u>201,694</u> | <u>(144,754)</u> |
| Cash flow from investing activities: | | | |
| Purchase of plant and equipment | | (16,623) | (9,150) |
| Interest received | | 1,724 | 2,748 |
| | | <u></u> | <u></u> |
| Net cash used in investing activities | | (14,899) | (6,402) |
| | | <u></u> | <u></u> |
| Net change in cash and cash equivalents in reporting period | | 186,795 | (151,156) |
| Cash and cash equivalents at 1 April 2021 | | 956,212 | 1,107,368 |
| | | <u></u> | <u></u> |
| Cash and cash equivalents at 31 March 2022 | 23 | <u>1,143,007</u> | <u>956,212</u> |

BOLTON MIDDLEBROOK LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

1. Accounting policies

Company information

Bolton Middlebrook Leisure Trust ("the company") is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Bolton Arena, Arena Approach, Bolton.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The group consists of Bolton Middlebrook Leisure Trust and its subsidiary Bolton Arena Trading Limited.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

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

The financial statements have been prepared on the historic cost convention. The principal accounting policies adopted are set out below.

Bolton Middlebrook Leisure Trust meets the definition of a public benefit entity under FRS102.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Bolton Middlebrook Leisure Trust and its subsidiary. All the financial statements included in the consolidation have been made up to 31 March 2022.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objects of the charity without further purpose and which have not been designated for other purposes.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor. Expenditure which meets this criteria is charged to the fund together with a fair allocation of overhead costs.

BOLTON MIDDLEBROOK LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

1.5 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

The specific bases used are as follows:

- Voluntary income includes, where applicable, donations, gifts and certain grants receivable
- Investment income and health and fitness income is accounted on a receivable basis
- Rental income is accounted on a receivable basis over the life of the lease
- Charitable activity, trading and merchandising income is accounted for when earned. Activity income received in advance is deferred until entitlement to the income has arisen at which time it is credited to the statement of financial activities
- Grants are recognised when the entitlement to the grant is confirmed. Grants for the purposes of equipment and towards activities are credited in full to various activities in furtherance of the charity's objectives in the year in which they are received
- Health and fitness memberships are recognised on receipt of funds as they are non-refundable once the contract has been signed.

1.6 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

Irrecoverable VAT is charged as a cost against the activity for which the associated expenditure was incurred.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | | |
|----------------------------------|---|----------------------|
| Fixtures, fittings and equipment | - | 10-25% straight line |
| Computer equipment | - | 33% straight line |
| Motor vehicles | - | 25% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

BOLTON MIDDLEBROOK LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication 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 the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, and deposits held at call with banks.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, loans to group companies and cash and bank balances, are measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors, are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

BOLTON MIDDLEBROOK LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

1.16 Taxation

The charity has charitable status and is thus exempt from taxation of its income and gains falling within section 505 of The Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives.

For the subsidiary the tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affect neither the tax profit nor the accounting profit.

2. Judgements and key sources of estimation uncertainty

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 estimates 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.

3. Income from subsidiary's trading activities

The charity owns the whole of the ordinary share capital, consisting of one ordinary share of £1, of Bolton Arena Trading Limited, which provides catering and retail facilities at Bolton Arena.

Its trading results for the year, as extracted from the audited financial statements, are summarised below:-

| | 2022 | 2021 |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Turnover | 146,748 | 8,441 |
| Cost of sales | (117,781) | (64,539) |
| Administration costs | (19,008) | (14,962) |
| CJRS income | 3,817 | 44,415 |
| | <hr/> | <hr/> |
| Operating profit/(loss) for the year | 13,766 | (26,645) |
| | <hr/> | <hr/> |

Details of the subsidiary's balance sheet are given in note 15.

BOLTON MIDDLEBROOK LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

| 4. Income from charitable activities | Unrestricted funds | Restricted funds | Total funds 2022 | Total funds 2021 |
|---|---------------------------|-------------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Health & fitness activities | 515,945 | - | 515,945 | 155,051 |
| Tennis facilities | 396,377 | 78,300 | 474,677 | 223,242 |
| Other sporting activities | 430,212 | 1,707 | 431,919 | 144,590 |
| Other events | 72,010 | - | 72,010 | - |
| Conference facilities | 166,314 | - | 166,314 | 31,133 |
| Other income | 27,778 | - | 27,778 | 36,113 |
| | <u>1,608,636</u> | <u>80,007</u> | <u>1,688,643</u> | <u>590,129</u> |
| Total by fund 31 March 2021 | <u>521,319</u> | <u>68,810</u> | | <u>590,129</u> |

Restricted fund income of £68,810 included above for 2021 comprised tennis facilities £68,767 and other sporting facilities £43.

| 5. Income from other trading activities | Unrestricted funds | Restricted funds | Total funds 2022 | Total funds 2021 |
|--|---------------------------|-------------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Advertising | 26,873 | - | 26,873 | 8,013 |
| Rental income | 100,954 | - | 100,954 | 62,230 |
| Service contracts | 59,481 | - | 59,481 | 6,916 |
| Catering income | 146,748 | - | 146,748 | 8,441 |
| Sponsorship | 63,042 | - | 63,042 | 18,137 |
| | <u>397,098</u> | <u>-</u> | <u>397,098</u> | <u>103,737</u> |

| 6. Investment income | Unrestricted funds | Restricted funds | Total funds 2022 | Total funds 2021 |
|-----------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Interest from bank deposits | 1,724 | - | 1,724 | 2,748 |
| | <u>1,724</u> | <u>-</u> | <u>1,724</u> | <u>2,748</u> |

| 7. Other operating income | Unrestricted funds | Restricted funds | Total funds 2022 | Total funds 2021 |
|----------------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Coronavirus JRS grant | 67,377 | - | 67,377 | 614,122 |
| Kickstart scheme | 19,118 | - | 19,118 | - |
| | <u>86,495</u> | <u>-</u> | <u>86,495</u> | <u>614,122</u> |

BOLTON MIDDLEBROOK LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

| 8. | Total resources expended | | Health & fitness activities | Tennis facilities | Other sporting activities | Other events | Conference facilities | Governance | Advertising | Rental income | Service contracts | Trading costs | 2022 Total | |
|--|--------------------------|---------------------|-----------------------------|-------------------|---------------------------|--------------|-----------------------|--------------------------|--------------------|---------------|-------------------|---------------|------------|-----------|
| | | Basis of allocation | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Current year analysis | | | | | | | | | | | | | | |
| Costs directly allocated to activities | | | | | | | | | | | | | | |
| Staff costs | Direct | | 94,118 | 219,816 | 305,803 | 109,929 | 107,401 | - | 1,029 | 3,863 | 2,274 | 58,069 | 902,302 | |
| Instructor costs | Direct | | 60,568 | 33,313 | - | - | - | - | - | - | - | - | 93,881 | |
| Equipment and materials | Direct | | - | 846 | 387 | 3,648 | - | - | - | - | - | 59,712 | 64,593 | |
| Equipment maintenance & rental | Direct | | 5,715 | - | 18,179 | - | - | - | - | - | - | 3,972 | 27,866 | |
| Marketing | Direct | | 5,305 | 125 | 1,330 | - | - | - | 24 | 515 | - | - | 7,299 | |
| Human resources | Direct | | 315 | - | 320 | - | - | - | - | - | - | - | 635 | |
| Audit fee | Direct | | - | - | - | - | - | 12,250 | - | - | - | 2,975 | 15,225 | |
| Other direct costs | Direct | | 7,988 | 12,897 | 27,670 | 3,471 | 7,059 | - | 190 | 713 | 420 | - | 60,408 | |
| Support costs allocated to activities | | | | | | | | | | | | | | |
| General office & finance staff | Turnover | | 121,286 | 106,677 | 100,910 | 17,763 | 38,837 | - | 6,322 | 23,390 | 14,164 | - | 429,349 | |
| Premises costs | Floor area | | 20,734 | 61,923 | 84,629 | 20,641 | 8,257 | - | - | 10,320 | - | - | 206,504 | |
| Equipment maintenance & rental | Turnover | | 20,584 | 18,336 | 17,164 | 2,873 | 6,635 | - | 1,072 | 4,028 | 2,373 | - | 73,065 | |
| Marketing | Turnover | | 13,788 | 12,282 | 11,497 | 1,924 | 4,444 | - | 807 | 2,698 | 1,590 | 1,095 | 50,125 | |
| Communications | Turnover | | 1,489 | 1,327 | 1,242 | 208 | 480 | - | 78 | 291 | 172 | - | 5,287 | |
| Human resources | Staff numbers | | 3,715 | 3,898 | 6,330 | 523 | 1,143 | 213 | 239 | 435 | 896 | - | 17,392 | |
| Legal & professional | Staff numbers | | 4,931 | 5,175 | 8,403 | 695 | 1,517 | 283 | 437 | 577 | 1,189 | - | 23,207 | |
| Finance costs | Turnover | | 2,964 | 2,644 | 2,475 | 414 | 957 | - | 155 | 581 | 342 | 2,461 | 12,993 | |
| Depreciation | Turnover | | 11,071 | 9,862 | 9,231 | 1,545 | 3,569 | - | 577 | 2,166 | 1,276 | 3,505 | 42,802 | |
| Corporation tax | Direct | | - | - | - | - | - | - | - | - | - | - | - | |
| | | | 374,571 | 489,121 | 595,570 | 163,634 | 180,299 | 12,746 | 10,930 | 49,577 | 24,696 | 131,789 | 2,032,933 | |
| Total expenditure on: | | | Charitable activities | | | | | 1,815,941 | Trading activities | | | 216,992 | | |
| | | | | | | | | Restricted expenditure | | | | | | 77,366 |
| | | | | | | | | Unrestricted expenditure | | | | | | 1,955,567 |
| | | | | | | | | | | | | | | 2,032,933 |

BOLTON MIDDLEBROOK LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

| 8. Total resources expended (continued) | Basis of allocation | Health & fitness activities £ | Tennis facilities £ | Other sporting activities £ | Other events £ | Conference facilities £ | Governance £ | Advertising £ | Rental income £ | Service contracts £ | Trading costs £ | 2021 Total £ |
|---|---------------------|----------------------------------|------------------------|--------------------------------|-------------------|----------------------------|--------------------------|--------------------|--------------------|------------------------|--------------------|-----------------|
| Prior year analysis | | | | | | | | | | | | |
| Costs directly allocated to activities | | | | | | | | | | | | |
| Staff costs | Direct | 178,429 | 287,611 | 277,548 | 46,057 | 74,158 | - | 12,203 | 61,140 | 11,213 | 59,570 | 1,007,929 |
| Instructor costs | Direct | 11,421 | 40,025 | - | - | - | - | - | - | - | - | 51,446 |
| Equipment and materials | Direct | - | 1,115 | 496 | (1,250) | 37 | - | - | - | - | 4,969 | 5,367 |
| Equipment maintenance & rental | Direct | 15,994 | - | - | - | - | - | - | - | - | 3,238 | 19,232 |
| Marketing | Direct | 815 | - | 228 | - | - | - | - | - | - | - | 1,043 |
| Human resources | Direct | - | - | 389 | - | - | - | - | - | - | - | 389 |
| Audit fee | Direct | - | - | - | - | - | 12,500 | - | - | - | 5,050 | 17,550 |
| Other direct costs | Direct | 6,862 | 115 | 1,258 | - | 334 | - | - | - | - | - | 8,569 |
| Support costs allocated to activities | | | | | | | | | | | | |
| General office & finance staff | Turnover | 37,577 | 58,003 | 35,717 | (1,479) | 7,244 | - | 1,935 | 16,373 | 1,167 | - | 156,537 |
| Premises costs | Floor area | 7,813 | 23,440 | 31,891 | 7,871 | 3,126 | - | - | 3,907 | - | - | 78,048 |
| Equipment maintenance & rental | Turnover | 12,779 | 18,399 | 11,917 | - | 2,566 | - | 660 | 5,129 | 570 | - | 52,020 |
| Marketing | Turnover | 6,677 | 9,614 | 6,227 | - | 1,341 | - | 345 | 2,679 | 298 | - | 27,181 |
| Communications | Turnover | 1,369 | 1,971 | 1,277 | - | 275 | - | 71 | 549 | 61 | - | 5,573 |
| Human resources | Staff numbers | 1,211 | 1,638 | 2,295 | 156 | 297 | 78 | 95 | 283 | 226 | - | 6,279 |
| Legal & professional | Staff numbers | 1,614 | 1,924 | 3,163 | 82 | 343 | 83 | 129 | 358 | 349 | - | 8,045 |
| Finance costs | Turnover | 1,012 | 1,457 | 943 | - | 203 | - | 52 | 403 | 45 | 754 | 4,869 |
| Depreciation | Turnover | 11,064 | 15,933 | 10,318 | - | 2,221 | - | 572 | 4,441 | 494 | 6,500 | 51,543 |
| Corporation tax | Direct | - | - | - | - | - | - | - | - | - | (580) | (580) |
| | | 294,637 | 461,245 | 383,667 | 51,437 | 92,145 | 12,661 | 16,062 | 95,262 | 14,423 | 79,501 | 1,501,040 |
| Total expenditure on: | | Charitable activities | | | | | 1,295,792 | Trading activities | | | | 205,248 |
| | | | | | | | Restricted expenditure | | | | | 23,600 |
| | | | | | | | Unrestricted expenditure | | | | | 1,477,440 |
| | | | | | | | | | | | | 1,501,040 |

BOLTON MIDDLEBROOK LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

9. Net incoming resources for the year

| | 2022 | 2021 |
|--------------------------------|-------------|-------------|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | 42,802 | 51,543 |
| Auditor's remuneration | | |
| Audit fee | 12,725 | 15,050 |
| Other services | 2,500 | 2,500 |
| Operating leases: equipment | 9,841 | 10,883 |

| | 2022 | 2021 |
|------------------------|------------------|------------------|
| | £ | £ |
| 10. Staff costs | | |
| Salaries | 1,099,598 | 969,523 |
| Social security costs | 76,798 | 60,371 |
| Pension costs | 82,178 | 92,094 |
| | <u>1,258,574</u> | <u>1,121,988</u> |

| | No. | No. |
|----------------------------------|------------|------------|
| The average number of employees: | | |
| Sports and fitness instructors | 34 | 37 |
| Facility support staff | 30 | 36 |
| Marketing | 1 | 1 |
| Management and administration | 5 | 6 |
| Company | <u>70</u> | <u>80</u> |
| Catering | 5 | 5 |
| Group | <u>75</u> | <u>85</u> |

No employees received employee benefits (excluding employer pension costs) of more than £60,000 during the year.

11. Pension costs

The company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company.

12. Key management personnel

| | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| The remuneration of key management personnel, which includes the Managing Director, the Operations Manager and heads of departments, is as follows: | | |
| Total key management compensation | <u>251,896</u> | <u>238,367</u> |

BOLTON MIDDLEBROOK LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

13. Trustee disclosures

The charity spent £499 (2021: £274) on the purchase of insurance to indemnify the trustees against the consequences of any neglect or default in relation to the charity.

No remuneration or expenses out of the funds of the charity was paid, or payable, during the period to any trustee or to any persons known to be connected to them. However, the facilities of the company are made freely available to the trustees, when not required by paying customers.

14. Tangible fixed assets

| | Fixtures & fittings £ | Computer equipment £ | Motor Vehicles £ | Charity Total £ | Subsidiary fixtures & fittings £ | Group Total £ |
|-----------------------|--|-------------------------------------|---------------------------------|--------------------------------|---|------------------------------|
| Cost | | | | | | |
| At 1 April 2021 | 465,011 | 119,819 | 13,587 | 598,417 | 126,531 | 724,948 |
| Additions | 8,129 | 7,504 | - | 15,633 | 990 | 16,623 |
| Disposals | - | - | (1,349) | (1,349) | (100,171) | (101,520) |
| At 31 March 2022 | 473,140 | 127,323 | 12,238 | 612,701 | 27,350 | 640,051 |
| Depreciation | | | | | | |
| At 1 April 2021 | 366,540 | 111,322 | 10,608 | 488,470 | 120,842 | 609,312 |
| Charge in the year | 33,942 | 4,747 | 608 | 39,297 | 3,505 | 42,802 |
| Disposals | - | - | (1,349) | (1,349) | (100,171) | (101,520) |
| At 31 March 2022 | 400,482 | 116,069 | 9,867 | 526,418 | 24,176 | 550,594 |
| Net Book Value | | | | | | |
| At 31 March 2022 | 72,658 | 11,254 | 2,371 | 86,283 | 3,174 | 89,457 |
| At 31 March 2021 | 98,471 | 8,497 | 2,979 | 109,947 | 5,689 | 115,636 |

BOLTON MIDDLEBROOK LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

15. Fixed asset investments

| Cost | Shares in Subsidiary £ |
|--------------------------------------|---------------------------------------|
| At 1 April 2021 and at 31 March 2022 | 1 |

The charity holds 100% of the equity of the following company:

| Subsidiary undertaking | Description of holding | Nature of business |
|-------------------------------|-----------------------------------|---|
| Bolton Arena Trading Limited | Ordinary | Provision of catering and conference facilities at Bolton Arena |

The registered office of the trading subsidiary is that of its parent and the company number is 04175883.

The assets and liabilities of the subsidiary were:

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Tangible fixed assets | 3,174 | 5,689 |
| Current assets | 85,043 | 26,688 |
| | <u>88,217</u> | <u>32,377</u> |
| Creditors: amounts falling due within one year | (87,355) | (45,291) |
| | <u>862</u> | <u>(12,914)</u> |
| Representing: | | |
| Share capital | 1 | 1 |
| Profit and loss account | 861 | (12,915) |
| | <u>862</u> | <u>(12,914)</u> |

Details of the subsidiary's Profit and Loss Account are given in note 3.

16. Debtors

| | 2022 | | 2021 | |
|--------------------------------|--------------------|----------------------|--------------------|----------------------|
| | Group £ | Charity £ | Group £ | Charity £ |
| Trade debtors | 173,469 | 160,912 | 39,131 | 35,054 |
| Other debtors | - | 75,698 | - | 40,249 |
| Prepayments and accrued income | 41,409 | 40,129 | 50,902 | 50,322 |
| | <u>214,878</u> | <u>276,739</u> | <u>90,033</u> | <u>125,625</u> |

BOLTON MIDDLEBROOK LEISURE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

17. Creditors – amounts falling due within one year

| | 2022 | | 2021 | |
|------------------------------|----------------|----------------|----------------|----------------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| Trade creditors | 45,116 | 42,801 | 46,438 | 46,196 |
| Tax and social security | 45,641 | 40,520 | 15,719 | 15,719 |
| Accruals and deferred income | 197,571 | 193,350 | 191,265 | 186,465 |
| Other creditors | 8,837 | 8,837 | 16,695 | 16,695 |
| | <u>297,165</u> | <u>285,508</u> | <u>270,117</u> | <u>265,075</u> |

Included in accruals and deferred income is deferred income of £142,193 (2021 - £125,913). Deferred income represents income received in the year but for specific expenditure partly, or wholly in a later period.

18. Analysis of Group net assets between funds

| Current year at 31.03.22 | Restricted Funds £ | General Fund £ | Designated Fund £ | 2022 Total £ |
|---------------------------------|-----------------------------------|-------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 89,457 | - | 89,457 |
| Stock | - | 12,281 | - | 12,281 |
| Debtors | - | 214,878 | - | 214,878 |
| Cash at bank and in hand | 230,233 | 600,864 | 311,910 | 1,143,007 |
| Creditors | - | (297,165) | - | (297,165) |
| | <u>230,233</u> | <u>620,315</u> | <u>311,910</u> | <u>1,162,458</u> |

| Prior year at 31.03.21 | Restricted Funds £ | General Fund £ | Designated Fund £ | 2021 Total £ |
|-------------------------------|-----------------------------------|-------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | - | 115,636 | - | 115,636 |
| Stock | - | 6,797 | - | 6,797 |
| Debtors | (621) | 90,654 | - | 90,033 |
| Cash at bank and in hand | 105,343 | 515,888 | 334,981 | 956,212 |
| Creditors | - | (270,117) | - | (270,117) |
| | <u>104,722</u> | <u>458,858</u> | <u>334,981</u> | <u>898,561</u> |

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19. Unrestricted funds: Movements in the year

| Current year: | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31 March 2022 £ |
|-------------------------|--|---------------------|--------------------------|------------------------|---|
| Designated funds: | | | | | |
| Building maintenance | 334,981 | - | (14,945) | (8,126) | 311,910 |
| | 334,981 | - | (14,945) | (8,126) | 311,910 |
| General funds | 471,773 | 1,948,388 | (1,808,832) | 8,126 | 619,455 |
| Charity total | 806,754 | 1,948,388 | (1,823,777) | - | 931,365 |
| Subsidiary total | (12,915) | 150,565 | (136,789) | - | 861 |
| Group total | 793,839 | 2,093,953 | (1,955,567) | - | 932,225 |

| Prior year: | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31 March 2021 £ |
|-------------------------|--|---------------------|--------------------------|------------------------|---|
| Designated funds: | | | | | |
| Building maintenance | 297,274 | - | 37,707 | - | 334,981 |
| | 297,274 | - | 37,707 | - | 334,981 |
| General funds | 718,349 | 1,189,071 | (1,435,647) | - | 471,773 |
| Charity total | 1,015,623 | 1,189,071 | (1,397,940) | - | 806,754 |
| Subsidiary total | 13,730 | 52,856 | (79,501) | - | (12,915) |
| Group total | 1,029,353 | 1,241,927 | (1,477,441) | - | 793,839 |

The trustees have designated funds for repairs which may be required for the maintenance of the property and Sports Education Theatre.

Each year the Trust contributes a sum of money to Bolton Council, as part of a service agreement. This money goes into a sinking fund, which is monitored by Bolton Council. The fund is held to ensure that The Arena can be maintained to an expected standard. Bolton Middlebrook Leisure Trust does not have access to this fund. The Council waived the current year contribution, due to the impact of the coronavirus pandemic and the prior year contribution was also credited during the year.

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20. Restricted funds: Movements in the year

| Current year: | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31 March 2022 £ |
|-------------------------------|--|---------------------|--------------------------|------------------------|---|
| Tennis grants | 100,389 | 78,300 | (76,596) | - | 102,093 |
| Covid recovery support grants | - | 122,870 | - | - | 122,870 |
| Other activities | 4,333 | 1,707 | (770) | - | 5,270 |
| | <u>104,722</u> | <u>202,877</u> | <u>(77,366)</u> | <u>-</u> | <u>230,233</u> |

| Prior year: | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31 March 2021 £ |
|--------------------|--|---------------------|--------------------------|------------------------|---|
| Tennis grants | 54,622 | 68,767 | (23,000) | - | 100,389 |
| Other activities | 4,890 | 43 | (600) | - | 4,333 |
| | <u>59,512</u> | <u>68,810</u> | <u>(23,600)</u> | <u>-</u> | <u>104,722</u> |

21. Operating lease commitments

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows: | | |
| | <u>15,521</u> | <u>25,362</u> |

22. Reconciliation of net income to net cash flow from operating activities

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Net income/(expenditure) for the reporting period as per the statement of financial activities | 263,898 | (190,304) |
| Adjustments for: | | |
| Investment income | (1,724) | (2,748) |
| Depreciation charges | 42,802 | 51,543 |
| (Increase)/decrease in stocks | (5,488) | 3,103 |
| (Increase)/decrease in debtors | (124,847) | 95,143 |
| Increase/(decrease) in creditors | 27,053 | (101,491) |
| Net cash (used)/generated by operating activities | <u>201,694</u> | <u>(144,754)</u> |

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23. Analysis of cash and cash equivalents

| | 2022 | 2021 |
|--|------------------|----------------|
| | £ | £ |
| Cash in hand | 1,460 | 1,299 |
| Notice deposits | 1,141,547 | 954,913 |
| Total cash and cash equivalents | 1,143,007 | 956,212 |

24. Related party transactions

Bolton Council

Each year the Trust contributes a sum of money to Bolton Council, as part of a service agreement. This money goes into a sinking fund, which is monitored by Bolton Council. The fund is held to ensure that The Arena can be maintained to an expected standard. Bolton Middlebrook Leisure Trust does not have access to this fund. During the current financial year, the Trust was not required to contribute towards this fund, given the impact of the coronavirus pandemic in the prior year.

There were no transactions with related parties outside the ordinary course of business.

25. Analysis of changes in net funds

The Trust had no debt during the year.