

**BLUECOAT SPORTS**

**REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2020**

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REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2020**

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**Officers and Professional Advisers**

**Directors and Charity Trustees**

Members of the Board of Trustees are the charity trustees of Bluecoat Sports under charity law and the directors of the charitable company. The members of the Board who served during the year and subsequently are detailed below.

James Maclean, BSc Hons (Chairman)  
Nigel Currie  
Patrick Dearsley, MA (Cantab) (Independent Trustee)(to 29 July 2020)  
Roger Eades, ACMA  
Paul Guyer, MRICS  
Keith Willder MBE

**Company Secretary**      Jacqui Duggan

**Registered Office**      The Counting House  
Christ's Hospital  
Horsham  
West Sussex  
RH13 0YP

**Auditor**      Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

**Banker**      Barclays Bank plc  
2 Carfax  
Horsham  
West Sussex  
RH12 1DN

**Solicitor**      Mills and Reeve LLP  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1PH

# **BLUECOAT SPORTS TRUSTEES' REPORT YEAR ENDED 31 AUGUST 2020**

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The Trustees of Bluecoat Sports (the Charitable Company, known as Bluecoats) present their annual report for the year ended 31 August 2020 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

## **STRUCTURE, AIMS AND GOVERNANCE**

### **Constitution and objects**

The Charitable Company was established in 2002. It is constituted as a company limited by guarantee registered in England, number 04384765, and is registered with the Charity Commission under charity number 1096244. The Charitable Company's activities are governed by its Memorandum and Articles of Association dated 1 March 2002, as amended by the special resolution dated 1 March 2012.

The Charitable Company's objects as set out in the Memorandum of Association are to:

- provide facilities to Christ's Hospital for physical education and training for personal and teamwork development;
- promote physical health and fitness amongst the pupils of Christ's Hospital;
- provide facilities to local schools, local authority organisations and charities for the purposes of physical education and training for personal and teamwork development; and
- promote physical health and fitness amongst the wider community.

## **AIMS, OBJECTIVES AND ACTIVITIES**

### **Aims**

The Charitable Company's aim for the public benefit is to provide safe, secure and up-to-date sporting and exercise facilities for pupils at Christ's Hospital, local schools, local authority organisations, charities and the wider community.

## **GOVERNANCE AND MANAGEMENT**

### **Board of Trustees**

The Board of Trustees (the Board) consists of at least three and not more than six individuals. All but one (the independent Trustee) are nominated by Christ's Hospital (formerly Christ's Hospital School). The independent Trustee is nominated by the Board of Bluecoats and must not be a Trustee or employee of Christ's Hospital or any of its subsidiary undertakings.

The Board takes its governance responsibilities seriously and aims to have a governance framework that is fit for purpose, compliant and efficient. Bluecoats' policy and practice have been reviewed against the Charity Governance Code. Many of the provisions are covered as part of Bluecoats' relationship with the governance of Christ's Hospital. In particular, the Audit and Risk Committee provides oversight and challenge for Bluecoats' Trustees. The Board has in place a programme for continuous development. During the year a key area of focus was the development of a matrix against which to evaluate the performance of the Board and of individual Trustees.

### **Recruitment, induction and training of Trustees**

New Trustees are required to attend an induction meeting which explains the objectives of the Charity and the responsibilities of the Trustees.

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## **Organisational management**

The members of the Board, as the charity trustees, are legally responsible for the overall management and control of Bluecoats. The Board meets at least three times a year and acts in the sole interest of Bluecoats.

The day-to-day running of Bluecoats is delegated to a Senior Management Team, comprising the Commercial Manager, who reports to the Chief Operating Officer of Christ's Hospital, the Centre Manager and Operations Manager.

## **Related parties**

The Charitable Company is a 'controlled' charity insofar as Christ's Hospital controls the appointment of the majority of the Trustees.

## **STRATEGIC REPORT**

### **STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES**

During the first six months of the year September 2019 to March 2020, the group exercise, swimming and fitness timetables were reviewed and expanded, with new classes and activities offered for our core membership groups. We also continued to hire out our facilities to local clubs and schools for different activities.

Bluecoats continued to implement its programme of staff training and attendance at internal training sessions has remained high in the key operational areas. Structured and focused training has improved the customer service skills of a number of staff.

Facilities have been enhanced and improved. Completed projects included the opening of "The Fitness Yard" in September 2019. This all-weather strength and conditioning outdoor fitness space, is the first of its kind in a dual-use independent school setting and is available to pupils and members.

The club was affected by the national lockdown due to COVID-19 and closed to the public on 21 March 2020. The club re-opened to the public for all outdoor sessions and classes on 6 July. Initially, payment was on a PAYGO basis only. This provided the opportunity to test the set up before restarting indoor activities on 25 July 2020, once government guidance changed to allow this.

### **ACHIEVEMENTS AND PERFORMANCE**

#### *Provide facilities to Christ's Hospital*

The main focus of Bluecoats' activities remains the provision of sporting facilities to Christ's Hospital to support the health and wellbeing of its pupils. Approximately 55% of the time available in the core facilities (pool, fitness suite, sports hall and gymnasium) is taken up by Christ's Hospital during term time.

Pupils of Christ's Hospital have achieved some notable successes during this academic year. All of these pupils used Bluecoats' facilities for a major part of their training. The Trustees congratulate the pupils on their efforts and their successes and thank the staff of Bluecoats for their support for all the pupils of Christ's Hospital.

#### *Promote physical health and fitness amongst the pupils of Christ's Hospital*

All pupils are inducted into the fitness suite by a Bluecoats fitness instructor. We have a robust monitoring system to ensure that all pupils using the facilities have undergone suitable instruction and that they have the information and tools to achieve their health and fitness goals. In conjunction with Christ's Hospital's PE Department, Bluecoats provides a multitude of activities to promote health and wellbeing, including aerobic, mind and body and core stability exercise classes.

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Optional activities for pupils have included badminton, swimming, fitness training, dancing, squash, martial arts, yoga and step aerobics. During social periods in the evenings, the main halls are used for football, basketball, badminton and cricket training by both pupils and staff.

*Provide facilities to local schools, local authority organisations and charities for the purposes of physical education and training for personal and teamwork development*

Bluecoats continues to be popular with local schools and community clubs, such as the Horsham-based Ready and Able Club, Horsham Hockey and Southwater Royals football club, along with Warnham Village Primary School and Amphibians triathletes.

Bluecoats' facilities are used by 36 local clubs and groups. All of these users benefit from discounted rates.

*Promote physical health and fitness amongst the wider community*

Bluecoats provides services to approximately 2,500 members from the local community. In addition, all adult exercise classes, children's courses and classes (including swimming lessons) are open to the general public at prices set in accordance with the local market.

To promote health and fitness to the wider community, Bluecoats has engaged in a number of local and national events with great success, including hosting the Set4Success Awards to support talented young sports people to achieve their potential. Among other events, Bluecoats staff and members took part in the Technogym Let's Move Campaign online during June 2020; Bluecoats supported members planning to run the Virgin Money London Marathon in support of Children with Cancer in April 2020; staff undertook a spinathon for Children in Need; and the centre supported a member completing a spinathon in aid of St Catherine's Hospice.

Leisure facilities across the country were severely impacted by the national lockdown introduced to combat COVID-19 and Bluecoats was no different. The closure of the indoor facilities for four months inevitably affected the ability of Bluecoats to engage with its members and the wider community in general (there was little impact on the School, which was closed for the whole summer term). It is believed that this engagement can be re-built, but the speed at which it can be achieved will be determined by the way the pandemic develops in the coming months.

## **PUBLIC BENEFIT**

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and fee charging.

The fee charged to Christ's Hospital is discounted by 25% (circa £100k) in comparison to the commercial rate and there are no additional charges to pupils who use the facilities for social activities which include use of the fitness suite, social areas and sports halls.

In 2019-20, only 25% of pupils attending Christ's Hospital paid full fees, 3% received staff discounts, 11% attended at no cost and the remaining 61% made a contribution which, in most cases, was far below the full fee. Bluecoats thus delivers public benefit in making its facilities available to these pupils, none of whom are charged directly for their use of the Centre, either as part of the curriculum or outside school hours.

Membership fees for the community are on a par with local leisure facilities and non-members are able to attend many of the activities for a small charge which is comparable with local leisure facilities.

Local community groups also benefit from substantial discounts compared to the commercial rate with significant discounts for the Ready and Able Club which pays 5% of the commercial rate. Again,

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Bluecoats delivers public benefit in making its facilities available to the members of these groups, none of whom are charged directly for their use of the Centre.

## **FINANCIAL REVIEW**

### *Results for the year*

Income for the year was £1.57 million (2019: £1.99 million), with net outflow of £237,000 (2019: £57,000). The prior year loss was after expenditure totalling £116,000 on the development of a plan for the future expansion of the facilities. That expenditure had been approved by the Board in the light of plans to expand Bluecoats to provide improved facilities for the School and the local community. The results for the year ended 31 August 2020 were significantly impacted by COVID-19 and the first national lockdown with a loss of membership and income. The loss was partially mitigated by the Coronavirus Job Retention Scheme funding. However, whilst membership numbers started to recover slowly following reopening in July 2020, the second national lockdown in November 2020 amid increasing infection rates is likely to lead to challenges for the company in the next financial year.

The experience of operating Bluecoats in the COVID-19 period has underlined that the operation is well-placed to recover over the medium term, provided that indoor fitness activities are able to function at least at their "new" capacity levels. Feedback from Bluecoats' users on the measures taken to organise fitness activities safely, and in particular on the professionalism of staff, has been overwhelmingly positive and has underlined the strong relationship with the membership base. While some parts of the Bluecoats offering have been scaled back to ensure COVID-safety, the centre has offered as close to its regular timetables as possible. Indeed, there are elements of the changes introduced due to COVID-19 which management will seek to retain, as they improve the customer experience for both pupils and members. The operation will continue to be tightly managed while uncertainty about the operating environment persists.

The financial sustainability of Bluecoats is considered further on page 6 of this report.

### *Investment policy*

Bluecoats maintains sufficient cash in its current account to meet day-to-day requirements. Amounts surplus to this are deposited with CCLA via the Christ's Hospital group cash pooling facility at acceptable risk and attracting interest at more favourable rates than Bluecoats' current account. At 31 August 2020, £0.2 million (2019: £0.7 million) of Bluecoats cash was held in the group cash pooling facility. There are no plans to invest in any longer-term instruments or for higher returns where increased risk is a factor.

### *Fundraising*

Bluecoats does not undertake fundraising and is therefore not registered with the Fundraising Regulator.

## **RESERVES LEVEL AND POLICY**

The policy is to hold free reserves of up to two months' running costs (£342,000). At 31 August 2020, Bluecoats had reserves of £382,000. These are represented by the net book value of fixed assets of £225,000 and free reserves of £157,000. Free reserves are held to enable Bluecoats to continue to provide an educational facility for pupils of Christ's Hospital and sports facilities for the public but have been depleted in the current financial year due to COVID-19. The financial sustainability of Bluecoats is considered further in the Financial Sustainability paragraph later in this report.

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## **REMUNERATION POLICY**

The Board considers and approves remuneration levels for all staff, including key management personnel. A decision is taken annually with due regard to local market forces and fitness industry norms and the need to ensure that the team is fairly and equitably rewarded and motivated.

## **TRUSTEES AND PROFESSIONAL ADVISERS**

The Trustees and professional advisers during the year are those listed on page 1.

## **FUTURE PLANS**

COVID-19 has had an impact on future plans with the complete closure of the facility for a significant period of 2020 having a financial impact. Whilst this may delay some plans in the short term, Bluecoats will continue to enhance the services which it offers to its customers and combine the objectives of Christ's Hospital with the fitness aspirations of the local community to provide a first rate facility.

Maintaining the building is an important part of the future. The Bluecoat Sports Planned Maintenance Programme Working Group which consists of Christ's Hospital and Bluecoat Sports representatives completed the fourth year of works.

## **RISK MANAGEMENT**

The Board is responsible for the management of the risks faced by the Charitable Company. Detailed considerations of risk are delegated to senior staff. Risks are identified, assessed and controls established throughout the year. A formal review of the Charitable Company's risk management processes is undertaken on an annual basis.

The key controls include:

- Strategic planning, budgeting and management accounting;
- Established organisational and governance structure and lines of reporting;
- Formal written policies;
- Formal agendas for Board activity; and
- Hierarchical authorisation and approval levels.

In addition, the Trustees are committed to safeguarding and promoting the welfare of children and young people and we expect all staff and volunteers to share this commitment. All successful candidates must consent for Bluecoats to seek two written references and must provide documentary proof of qualifications and proof of their identity. Any offer of employment is conditional on all of these being satisfactory.

## **Principal risks and uncertainties**

The principal risks facing Bluecoats relate to the health and safety of the pupils and members and the welfare of the pupils. Robust procedures, with regular checks and balances, are in place to ensure that these risks are minimised.

Through the risk management processes established by Bluecoats, the Trustees are satisfied that the major risks identified have been adequately mitigated. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

## **Financial sustainability**

While Bluecoats has developed a tried and tested programme with the School over many years and built up a strong local brand and member loyalty, the complete closure of the facility for a significant

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TRUSTEES' REPORT  
YEAR ENDED 31 AUGUST 2020**

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period of last year had, as should be expected, a significant financial impact. The period of re-opening has been encouraging, with membership numbers starting to recover and a strong sense that Bluecoats had emerged from the lockdown period in better shape than many of its local competitors.

Financial plans have been reforecast a number of times to allow for successful operation at considerably lower membership numbers than before the pandemic, with overall costs scaled back accordingly. While the second lockdown poses further challenges for the implementation of recovery plans, it is expected that re-opening and re-engagement with members will be much more straightforward, given that staff and members now know what to expect. On that basis, it is believed that membership numbers can be brought back to the level required over the course of the current year to ensure the financial sustainability of Bluecoats.

In the worst case scenario, which would be extended periods of lockdown, there would be a need to consider more drastic action to address the cost base of Bluecoats, but it should be noted that there is an expectation that education will not be subject to lockdown and that Bluecoats will continue to fulfil a vital function for the School. If it becomes likely that public access to Bluecoats will be restricted for an extended period of time, it is believed that operations can be reconfigured in a way to allow for School usage only, minimising costs and conserving cash, until such time as it is possible to fully re-open but there may be difficulty in settling certain intercompany balances from July 2021. In the unlikely event of those circumstances occurring, the Council of Christ's Hospital has agreed that it would not demand payment of intercompany balances for up to 12 months from the date of approval of the financial statements. Accordingly, the Board believes that Bluecoats can continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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



**BLUECOAT SPORTS  
TRUSTEES' REPORT  
YEAR ENDED 31 AUGUST 2020**

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So far as the Trustees are aware, there is no relevant audit information of which the Charitable Company's auditor is unaware and we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

**AUDITOR**

Crowe U.K. LLP has expressed its willingness to continue as auditor for the next financial year.

This Trustees' Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 2 December 2020, including in their capacity as company directors approval of the Strategic Report contained therein, and is signed on its behalf by

James Maclean  
Chairman  
2 December 2020

A handwritten signature in black ink, appearing to be 'J Maclean', written over a horizontal line.

# **BLUECOAT SPORTS AUDITOR'S REPORT YEAR ENDED 31 AUGUST 2020**

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## **Independent Auditor's Report to the Members of Bluecoat Sports**

### **Opinion**

We have audited the financial statements of Bluecoat Sports for the year ended 31 August 2020 which comprise the Statement of Financial Activities, Balance Sheet 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 Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its 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 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 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**

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

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters 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.

**BLUECOAT SPORTS  
AUDITOR'S REPORT  
YEAR ENDED 31 AUGUST 2020**

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

In light of the 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 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
- 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report.

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

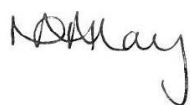
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 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 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
London

**Date** 15th December 2020

**BLUECOAT SPORTS**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 AUGUST 2020**

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	Notes	2020	2019
		£	£
<b>INCOME FROM:</b>			
<b>Charitable activities</b>			
Sports Centre income		1,323,334	1,939,525
Other ancillary income		15,795	30,346
<b>Investments</b>		2,790	12,687
<b>Other trading activities</b>		7,905	12,353
<b>Grant from Furlough Scheme</b>		222,142	-
<b>TOTAL INCOME</b>		<u>1,571,966</u>	<u>1,994,911</u>
<b>EXPENDITURE ON:</b>			
<b>Charitable activities</b>	2	<u>(1,809,273)</u>	<u>(2,051,955)</u>
<b>NET OUTFLOW</b>		(237,307)	(57,044)
<b>TOTAL FUNDS BROUGHT FORWARD</b>		619,671	676,715
<b>FUND BALANCE</b>		<u>382,364</u>	<u>619,671</u>

The notes on pages 13 to 20 form part of these financial statements.

**BLUECOAT SPORTS  
BALANCE SHEET  
AT 31 AUGUST 2020**

	Notes	2020	2019
<b>FIXED ASSETS</b>		£	£
Tangible assets	5	<u>225,100</u>	<u>271,461</u>
<b>CURRENT ASSETS</b>			
Stock	6	13,593	11,700
Debtors	7	213,634	545,043
Cash at bank and in hand		<u>63,739</u>	<u>67,855</u>
		<b>290,966</b>	<b>624,598</b>
<b>CREDITORS</b>			
Due within one year	8	<b>(133,702)</b>	<b>(276,388)</b>
<b>NET CURRENT ASSETS</b>		<u><b>157,264</b></u>	<u><b>348,210</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>382,364</b></u>	<u><b>619,671</b></u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
Designated	9	225,100	271,461
General	9	<u>157,264</u>	<u>348,210</u>
		<b>382,364</b>	<b>619,671</b>

The notes on pages 13 to 20 form part of these financial statements.

Approved by the Board of Trustees on 2 December 2020 and signed on its behalf by:

James Maclean  
Chairman  
2 December 2020



**BLUECOAT SPORTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2020**

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## **1. ACCOUNTING POLICIES**

### **Accounting convention**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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 2019.

These Financial Statements have been drawn up on the historical cost accounting basis.

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long term impact on Bluecoats, in common with other businesses, is unknown. The Board has reviewed the position carefully with a view to ensure that Bluecoats can continue to provide vital sporting facilities for the School and to the general public. Financial plans have been reforecast a number of times, covering a period to 31 August 2022, to allow for successful operation at considerably lower membership numbers than before the pandemic, with overall costs scaled back accordingly. While the second lockdown poses further challenges for the implementation of recovery plans, it is expected that re-opening and re-engagement with members will be much more straightforward, given that staff and members now know what to expect. On that basis, it is believed that membership numbers can be brought back to the level required over the course of the current year to ensure the financial sustainability of Bluecoats.

In the worst case scenario, which would be extended periods of lockdown, there would be a need to consider more drastic action to address the cost base of Bluecoats, but it should be noted that there is an expectation that education will not be subject to lockdown and that Bluecoats will continue to fulfil a vital function for the School. If it becomes likely that public access to Bluecoats will be restricted for an extended period of time, it is believed that operations can be reconfigured in a way to allow for School usage only, minimising costs and conserving cash, until such time as it is possible to fully re-open but there may be difficulty in settling certain intercompany balances from July 2021. In the unlikely event of those circumstances occurring, the Council of Christ's Hospital has agreed that it would not demand payment of intercompany balances for up to 12 months from the date of approval of the financial statements. Accordingly, the Board believes that Bluecoats can continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

Bluecoat Sports is a Charitable Company limited by guarantee (Company number 04384765) and registered in England. It is a Public Benefit Entity registered with the Charity Commission in England and Wales under Charity number 1096244. Bluecoat Sports operates from its registered office at The Counting House, Christ's Hospital, Horsham, West Sussex, RH13 0YP.

The Charitable Company has taken advantage of the exemption, available under FRS102 1.12 to subsidiary charities, from preparing a cash flow statement as this is included in the consolidated financial statements of Christ's Hospital.

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charitable Company's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that

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period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following paragraphs describe the specific policies adopted for recognition of significant categories of incoming resource and expenditure.

### **Sports Centre income**

Sports Centre income relates to continuing activities and comprises membership subscriptions, guest fees and hire of facilities in the year, exclusive of Value Added Tax and is accounted for when receivable.

### **Investment income**

Investment income currently comprises bank interest and is accounted for on an accruals basis.

### **Deferred income**

Fee income invoiced in advance of courses is deferred to the year in which the courses are delivered.

### **Fixed assets**

A number of fixed assets are in the ownership of Christ's Hospital Foundation, the cost of use being charged on a monthly basis to the Charitable Company.

Expenditure on individual items costing more than five thousand pounds has been capitalised.

Fixed assets are depreciated in equal annual instalments over their economic lives as follows:

Plant and equipment	20% or 33⅓% on cost
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Depreciation is not charged on work in progress.

### **Stock**

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

### **Lease commitments**

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

### **Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year.

Governance costs comprise the costs running the Charitable Company, including strategic planning for future development, external audit, any legal advice for the Board, and all the costs of complying with constitutional and statutory requirements, such as the costs of Committee meetings, preparing statutory accounts, and satisfying public accountability.

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**Taxation**

The activities of Bluecoat Sports are exempt from Income and Corporation Tax but are registered for Value Added Tax (VAT). The majority of these activities are classified as exempt or non-business activities for VAT purposes and consequently it is not possible to reclaim the majority of the VAT incurred on purchases.

**Pension schemes**

The Christ's Hospital Pension Scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the Scheme that are attributable to the Charitable Company on a consistent and reasonable basis. Therefore, in accordance with FRS 102, the Charitable Company accounts for this scheme as if it were a defined contribution scheme.

Note 12 provides further information on this scheme and the stakeholder pension scheme.

**Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with short term deposits, trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

**2. ANALYSIS OF TOTAL EXPENDITURE**

	STAFF COSTS	OTHER COSTS	DEPRECIATION	TOTAL 2020	TOTAL 2019
	£	£	£	£	£
<b>Charitable activities</b>					
Providing sporting facilities	873,148	14,350	-	<b>887,498</b>	981,207
Premises costs	3,270	491,694	-	<b>494,964</b>	543,353
Equipment costs	-	39,315	82,595	<b>121,910</b>	135,936
Publicity costs	-	60,145	-	<b>60,145</b>	96,159
Other support costs	61,961	167,091	-	<b>229,052</b>	272,566
Finance costs	-	6,464	-	<b>6,464</b>	11,903
Governance costs	-	9,240	-	<b>9,240</b>	10,831
<b>Total expenditure</b>	<b>938,379</b>	<b>788,299</b>	<b>82,595</b>	<b>1,809,273</b>	<b>2,051,955</b>

Premises costs included £132,000 of development costs in 2020 (2019: £116,000) in respect to the Bluecoat Sports Expansion Project.



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**3. STAFF COSTS**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<i>£</i>
Wages and salaries	<b>759,957</b>	<i>820,564</i>
Coaches' fees	<b>123,885</b>	<i>146,896</i>
National Insurance costs	<b>32,006</b>	<i>36,145</i>
Pensions	<b>22,531</b>	<i>24,820</i>
	<b><u>938,379</u></b>	<i><u>1,028,425</u></i>

The full time equivalent number of staff analysed by function was:

	<b>2020</b>	<i>2019</i>
	<b>FTE</b>	<i>FTE</i>
Activities department	<b>5</b>	<i>5</i>
Class instructors	<b>3</b>	<i>3</i>
Fitness suite	<b>5</b>	<i>6</i>
Recreation assistants	<b>3</b>	<i>3</i>
Swim school	<b>3</b>	<i>3</i>
Management and administration	<b>21</b>	<i>20</i>
	<b><u>40</u></b>	<i><u>40</u></i>

No employee earned over £60,000 (2019: nil).

The average head count (being the number of staff employed not adjusted for FTE) was 147 (2019: 135).

There were 4 key management personnel (2019: 4) in the year to 31 August 2020. Their aggregate employee benefits were £145,442 (2019: £135,184). This includes £27,807 (2019: £27,331) which was recharged from Christ's Hospital.

There were no redundancy costs during the year (2019: £nil).

**4. AUDITOR'S REMUNERATION**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<i>£</i>
Audit fee	<b><u>6,960</u></b>	<i><u>6,900</u></i>

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**5. TANGIBLE FIXED ASSETS**

	Work in progress £	Plant & equipment £	TOTAL 2020 £
<b>Cost</b>			
At 1 September 2019	182,995	825,668	1,008,663
Additions at cost	-	36,234	36,234
Transferred	(182,995)	182,995	-
At 31 August 2020	<u>-</u>	<u>1,044,897</u>	<u>1,044,897</u>
<b>Depreciation</b>			
At 1 September 2019	-	737,202	737,202
Charge for year	-	82,595	82,595
At 31 August 2020	<u>-</u>	<u>819,797</u>	<u>819,797</u>
Net book value at 31 August 2020	<u>-</u>	<u>225,100</u>	<u>225,100</u>
Net book value at 31 August 2019	<u>182,995</u>	<u>88,466</u>	<u>271,461</u>

**6. STOCK**

	2020 £	2019 £
Stock for sale	2,786	1,670
Raw materials and consumables	10,807	10,030
	<u>13,593</u>	<u>11,700</u>

**7. DEBTORS**

	2020 £	2019 £
Trade debtors	42,200	3,641
Due from Christ's Hospital	107,897	534,668
Due from Christ's Hospital Foundation	-	6,734
Furlough Grant & Other Taxes	63,537	-
	<u>213,634</u>	<u>545,043</u>

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**8. CREDITORS: Due within one year**

	2020 £	2019 £
Trade creditors	24,709	129,070
Deferred income	22,062	46,670
Tax and National Insurance	10,098	10,970
Due to Christ's Hospital Enterprises Limited	243	-
Due to Christ's Hospital Foundation	25,134	-
Other creditors and accruals	51,456	89,678
	<u>133,702</u>	<u>276,388</u>

Deferred income

Income deferred in the current year:

- Other fees

22,062	46,670
<u>22,062</u>	<u>46,670</u>

Summary of movements in deferred income

Balance at 1 September 2019	46,670
Released to income in the year	(46,670)
New fees	22,062
Balance at 31 August 2020	<u>22,062</u>

**9. MOVEMENT OF FUNDS**

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2020 £
<b>Designated funds</b>					
Fixed assets					
Capital fund	271,461	36,234	(82,595)	-	225,100
	<u>271,461</u>	<u>36,234</u>	<u>(82,595)</u>	<u>-</u>	<u>225,100</u>
General funds	348,210	1,535,732	(1,726,678)	-	157,264
<b>TOTAL FUNDS</b>	<u>619,671</u>	<u>1,571,966</u>	<u>(1,809,273)</u>	<u>-</u>	<u>382,364</u>

**PRIOR YEAR MOVEMENT OF FUNDS**

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2019 £
<b>Designated funds</b>					
Liquid assets					
Development fund	212,089	-	(116,054)	(96,035)	-
Fixed assets					
Capital fund	117,427	205,438	(51,404)	-	271,461
	<u>329,516</u>	<u>205,438</u>	<u>(167,458)</u>	<u>(96,035)</u>	<u>271,461</u>
General funds	347,199	1,789,473	(1,884,497)	96,035	348,210
<b>TOTAL FUNDS</b>	<u>676,715</u>	<u>1,994,911</u>	<u>(2,051,955)</u>	<u>-</u>	<u>619,671</u>

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**10. ALLOCATION OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Net current assets £	Total 2020 £
General funds	-	157,264	157,264
Designated funds:			
Capital Fund	225,100	-	225,100
	<u>225,100</u>	<u>157,264</u>	<u>382,364</u>

**PRIOR YEAR ALLOCATION OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Net current assets £	Total 2019 £
General funds	-	348,210	348,210
Designated funds:			
Capital Fund	271,461	-	271,461
	<u>271,461</u>	<u>348,210</u>	<u>619,671</u>

The Development Fund was established to provide for future development of the Centre.

**11. RELATED PARTY TRANSACTIONS**

The Charitable Company rented the sports centre and laundry to Christ's Hospital for £288,750 (2019: £288,750) and £9,450 (2019: £9,450) respectively.

Christ's Hospital recharged expenses totalling £66,000 (2019: £66,000) to the Charitable Company. This included £27,000 relating to key management salaries (2019: £27,000).

No Trustee received remuneration during the year (2019: £nil).

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**12. CHRIST'S HOSPITAL PENSION SCHEMES**

The Charitable Company is a participating employer in the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and employers. The Scheme was closed to new members with effect from 31 March 2005.

The Scheme is a multi-employer scheme and as such the Charitable Company is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of the other entities participating in the Scheme.

Member contributions are 6.5% of salary for those members who have an accrual rate of 1/80<sup>th</sup> of final salary for each year of service, and 4% for those who have an accrual rate of 1/100<sup>th</sup>. Contributions payable by employers are 19.7%, plus an annual deficit-reduction contribution, which is paid by Christ's Hospital Foundation. The deficit-reduction payment is in accordance with an agreed schedule, allowing the deficit to be eliminated by 30 April 2029. The basis of contribution to the Scheme is specified in a schedule of contributions agreed with the Scheme Trustees and certified by the actuary on 18 April 2018.

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2017.

Employer contributions for the year ended 31 August 2020 were £5,354 (2019: £5,799).

For staff not in this Scheme, the Charitable Company offers a stakeholder pension scheme with Legal and General. Employer contributions are currently set at the statutory minimum of 3%. Employer contributions totalling £18,020 (2019: £18,293) were paid in respect of this pension scheme for the year.

**13. FINANCIAL INSTRUMENTS**

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Financial assets measured at amortised cost (a)	<b>277,373</b>	612,898
Financial liabilities measured at amortised cost (b)	<b>(101,542)</b>	(218,748)
	<b><u>175,831</u></b>	<b><u>394,150</u></b>

(a) Financial assets include cash, short term deposits, trade debtors, other debtors,

(b) Financial liabilities include trade and other creditors and amounts due to members of the Christ's Hospital group.

**14. ULTIMATE PARENT UNDERTAKING**

Bluecoat Sports is a 'controlled' charity insofar as Christ's Hospital, a charity registered in England and Wales (number 1120090), controls the appointment of the majority of the Trustees. This is the largest and smallest group into which the Charitable Company is consolidated. A copy of the accounts can be obtained from the Finance Director, the Counting House, Christ's Hospital, Horsham, West Sussex, RH13 0YP.

Christ's Hospital's objects and principal activities are:

- the advancement of education of children, principally for the benefit of those families in social, financial or other specific need, by provision of a school for boys and girls; and
- the undertaking of ancillary educational and other associated activities for the benefit of the community.

