



SANDWELL LEISURE TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2021

Company Registration No. 05011501
Registered Charity No. 1102431

**SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2021**

Foreword

This was our 16th year of operation and 2020 has been a year we will never forget. Covid-19 has brought many challenges to not only the fitness industry but the whole world. We would like to offer our sincerest thoughts to our staff, customers and the wider community whose lives have been affected by this global pandemic.

This has been without a doubt the most challenging and hard-hitting event to impact the leisure industry in our lifetime. We have faced many challenges with lockdowns and new restrictions in place however our staff and customers have been extraordinary in adapting to these changes, leaving us hopeful for the future.

Sandwell Leisure Trust (SLT) is a social enterprise, established as a company limited by guarantee, and a registered charity, managing award-winning sport and leisure facilities.

We are non-profit distributing which means we reinvest 100% of any surplus to maintain, improve and deliver quality services for the whole community to enjoy, socialise in and become more active.

The Trust manages 9 sports and leisure centres, including 6 swimming pool facilities, and a golf course in Sandwell, and delivers a wide range of popular sports development activities throughout the borough, on behalf of and in partnership with Sandwell Council.

We also manage a 10th sports and leisure centre outside of Sandwell – the Ryland Centre in Bromsgrove.

It is heartening to see that in a competitive market with challenging local demographics, SLT continues to deliver service improvements and exceed targets, to increase participation in physical activity and sport throughout the borough whilst improving the health of Sandwell.

Our customers are at the heart of everything we do and it is vital we continue to demonstrate the social impact we make by showcasing the testimonials and feedback of how the Trust is changing people's lives. Sandwell Council's vision is to create a more physically active Sandwell whilst driving the continuous improvement of key Public Health outcomes, SLT plays a leading role in the successful delivery of this vision and achievement of these outcomes

As a result of the pandemic overall membership has decreased to 59,117 (2020: 76,424), attendances at our sports and leisure centres were also affected but despite 3 lockdowns and Covid secure restrictions swimming for all ages in Sandwell remained popular once centres re-opened. Free swimming registrations increased to 46,963 (2020: 46,692).

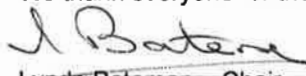
Other notable highlights include receiving the National RoSPA Health & Safety 'Order of Distinction' the only leisure trust to obtain this award following retaining successive 15 years of Gold recognition. Leisure facilities also received QUEST excellence which heavily test Covid Secure standards and operations. The Trust maintained Silver accreditation from Investors in People an award only achieved by the top 15% of organisations in the UK.

Importantly, we also continued to receive excellent feedback from our customers on how we are changing their lives. A selection of their stories and comments are featured throughout this report.

Sandwell Council's vision is to create a more physically active Sandwell and SLT continues to play a leading role in the successful delivery of this vision.

All of our achievements would not be possible however without the commitment and hard work of our employees, the effective leadership, expertise and innovation of our managers and Board Members and the support of Sandwell Council and all our partners.

We thank everyone for their continued contribution and support.


Lynda Bateman – Chair
2021 / 12 / 21


Ash Rai – Chief Executive
21 / 12 / 2021

**SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2021**

GOVERNANCE REPORT

STATUS

The organisation was incorporated on 9 January 2004 as a company limited by guarantee and was registered with the Charity Commission on 2 March 2004.

The charitable company is established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

TRUSTEES

As the company is limited by guarantee, the trustees have no interest in any shares in the company. The trustees who served during the period and up to the date of this report were as follows:

V McFarland		(appointed 01.12.04)
Cllr P Hughes		(appointed 12.09.07, resigned 31.08.16, reappointed 07.02.17, resigned 07.12.20)
L Bateman	(Chair from 06.09.16)	(appointed 04.05.10)
V Nembhard		(appointed 17.09.13, resigned 02.09.19)
M Sharma		(appointed 17.09.13)
P Venables	(Vice Chair from 11.09.18)	(appointed 04.02.14)
P Piddock		(appointed 11.09.18)
R Jackson		(appointed 11.09.18, resigned 23.07.21)
P Kaur		(appointed 11.09.18)
R McVittie		(appointed 26.01.21)
S Fleming		(appointed 02.11.21)
T Barter		(appointed 19.11.21)

CHIEF EXECUTIVE

A Rai

SECRETARY

S Dillion

REGISTERED OFFICE

Carnegie Building
Victoria Road
Tipton
West Midlands
DY4 8SR

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2021

REGISTERED NUMBERS

Company registration number 05011501
Registered charity number 1102431

AUDITORS

RSM UK Audit LLP
Chartered Accountants
St Phillips Point
Temple Row
Birmingham
B2 5AF

BANKERS

NatWest Bank
267 Castle Street
Dudley
DY1 1LJ

GOVERNANCE AND RISK

We are committed to achieving high standards of corporate governance throughout our operations.

The Board leads and maintains full and effective control of the charitable company and its activities. The Board is responsible for matters of key strategic importance and delegates financial authority to the Chief Executive and other Trust Managers via a clearly defined scheme of delegation. In addition, the Board has delegated authority to the Remuneration Sub-Committee and the Chief Executive and agreed Sub-Committees will be brought together to deal with finance/employment and governance matters as required. Our Board Members also bring skills and experience to help drive our expansion.

We operate a rigorous business planning process whereby corporate objectives and targets directed by the Board and agreed with Sandwell MBC ("SMBC") cascade down the Trust's Business Plan, Action Plans and employees' personal objectives. This is fully embedded in our planning and budgeting cycles and is an integral part of our operation and performance.

We have an established system for identifying, evaluating and managing the significant risks faced by the charitable company and a risk log is an integral part of the annual operational plan which is agreed by the Board. The Board Members have been actively involved in identifying and managing the risks to which we are exposed.

The key risk facing SLT is non-delivery of the 2020-21 to 2022-23 Business Plan, which will be affected by our recovery from the Covid-19 Pandemic which has affected the whole of the Leisure Industry. Non delivery of the Business Plan would affect the viability and financial stability of the Organisation. More information on going concern is provided on page 16.

The risk log is reviewed by the Executive team every quarter and an updated version presented to the Board every six months. In addition, the log would be reviewed in the event of a significant occurrence which materially increases a risk.

Our Memorandum and Articles of Association specify the number of Trustees required and lays down the duration of their terms of office. The number of trustees is kept under review by the Chief Executive and Company Secretary. We maintain an open advert for new trustees via the company website and active recruitment campaigns are undertaken when it is anticipated that trustee numbers are likely to reduce. In line with best governance practice, we put in place a comprehensive induction programme for any new Board Members. In addition to formal training, this provides access to an online resource pack and web portal. Annual reviews for individual Board Members are available with the Chair, and the Board performance and effectiveness process was implemented during the last year along with a new appraisal scheme.

The Trustees and the Management Team make up the key management personnel of the charity in charge of directing, controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely (details of reimbursed expenses are included in note 4).

The pay of the Chief Executive is considered on an annual basis by the Remuneration Sub-Committee which makes recommendations to the Trust Board taking into consideration a number of factors i.e. pay levels of Chief Executives at similar organisations, local authority heads of services, SPORTA (now Community Leisure UK), awards made by the National Joint Council and the Association of Chief Executives of Voluntary Organisations (ACEVO). The other members of the Trust Management Team are granted pay awards in accordance with their contract of employment.

The Sub-Committee is also responsible for undertaking an annual performance appraisal and development process for the Chief Executive.

CORPORATE RESPONSIBILITY

Health & Safety ("H&S")

We take our duty of care to all those who work or visit our facilities extremely seriously and in order that we continue with the healthy culture supporting Health and Safety within the Trust, we seek independent advice from our external provider.

The Board has agreed a Health & Safety Policy which sets the strategic direction for this area. We have a Joint Health & Safety Consultative Committee with the Trade Unions, which meets regularly to discuss and resolve health and safety issues.

Environment

SLT is committed to reducing its carbon footprint and impact on the environment. We recognise the importance of protecting the environment and have installed a number of measures to reuse and recycle trade waste and consumable materials.

We have also installed Combined Heat and Power (CHP) units at some leisure facilities. These units enable energy to be used more efficiently by converting excess heat into power to support the running of the facility.

We also work in partnership with our suppliers, local businesses and continue to benchmark ourselves within the leisure industry to develop new ways of working and adopt best practice.

Our sport and leisure centres have received Sandwell's Business Environmental Charter Award ranging from Bronze to Gold standard. This Award recognises the commitment by staff in reducing the centre's impact on the environment. This also demonstrates the sites commitment to supporting environmental issues at the facility and those of Sandwell as listed in Agenda 21.

THIRD PARTY INDEMNITY PROVISION FOR TRUSTEES

Qualifying third party indemnity provision is in place for the benefit of all trustees of the charity.

STATEMENT TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

STRATEGIC REPORT

SLT MAKING AN IMPACT FOR SANDWELL IN 2020/2021

SLT is a non-profit distributing organisation which means we reinvest 100% of any surplus to improve, maintain and deliver quality services for the whole community to enjoy, socialise in and become more active.

It is heartening to see that in a competitive market with challenging local demographics, SLT continues to deliver service improvements and exceed targets to increase participation in physical activity whilst improving the health and well-being of Sandwell.

Our customers are at the heart of everything we do and it is vital we continue to demonstrate the social impact we make by showcasing the testimonials and feedback of how the Trust is changing people's lives. Sandwell Council's vision is to create a more physically active Sandwell whilst driving the continuous improvement of key Public Health outcomes, SLT plays a leading role in the successful delivery of this vision and achievement of these outcomes.

We continue to work in partnership with Sandwell Council on the new £60m Sandwell Aquatic Centre swimming facility opening for the Birmingham 2022 Commonwealth Games and £5.1m West Smethwick Park restoration which includes a new pavilion building, both to be managed by SLT.

All of our achievements would not be possible without the commitment and hard work of all our employees, the effective leadership, expertise and innovation of our managers and our Board and our key partnership with Sandwell Council.

We thank everyone for their continued contribution and support.

OUR AIMS

- Maintain quality of services for Sandwell Residents
- Increase participation
- Increase attendances
- Staff satisfaction & well-being
- Maintain financial stability, whilst being well governed & eco friendly
- Continue to reduce management fee
- Provide value for money
- Customer satisfaction
- Highest level health & safety
- Achieve & maintain external accreditations

OUR PRIORITIES

- Increasing income
- Maintaining/Improving quality
- Maintaining/Improving safety
- Reducing expenditure

SOCIAL IMPACT

Increasing participation in physical activity and improving the health and well-being of the local and wider community remains the top priority for SLT. The trust works hard to do this by providing a range of opportunities for more people to enjoy leisure in a safe and social way.

The coronavirus pandemic has undoubtedly affected end of year figures. The world and SLT started to see the effects of Covid-19 at the start of March 2020 and the virus was still prevalent and affecting everyday life at the end of this financial year. Due to government enforced closures, our centres were closed for around 9 months this year.

Despite a very strong start at the beginning of 2020 for membership growth, the impact of Covid-19 and the closure of the facilities for over half of the year April 2020 to March 2021, has had a huge impact on membership for the Leisure Trust. On average, the annual new member sales circa' 8,000; during this year it was just under 1,200 and this has consequently seen the membership base drop by 51%.

Whilst there were brief periods where the leisure centres were open, the decision was made not to run any new member offers or promotions. Despite the centres being closed, we have retained over 6,200 members. Plans are being drafted to re-build the previously strong membership base once the centres are given the go-ahead to re-open.

A Social Value Analysis report compiled by industry leading 4Global provides detail of the level of Social Value that arises from the Trusts operation here in Sandwell, the analysis confirms a staggering £16.5 Million Pounds worth of Social Value from our operation in one of the most deprived Boroughs in the country.

The Social Value total is split into sub-categories: Subjective Wellbeing, Health, Education and Crime. Figures are provided at a per-person level and detailed by member category. A breakdown is also provided into the 'Cases prevented' within individuals as a result of participating in physical activity at Sandwell sites.

The social value analysis identifies that the SLT estate generated £16.5m of social value in 2019, with Portway Lifestyle Centre generating the highest amount, at almost £3.9m. When comparing the outcomes to the rest of the UK leisure sector, 7 of the 10 SLT sites sit in the 3rd or 4th (highest) quartiles, demonstrating they are above average for the industry.

16.1% of Sandwell residents were a member of an SLT facility at some point in 2019, which is higher than the 15.9% industry average (for Health & Fitness only) Over 60% of SLT members were from IMD group 1 or 2 (the most deprived groups), which is almost exactly representative to the Sandwell Borough IMD statistics. Over 93% of SLT members live within the Sandwell Borough, with an average travel time of less than 5 and a half minutes (drive time) between their registered home address and their 'home' facility.

These figures support Sandwell's Vision 2030 Ambition 2 & 8.

Ambition 2 - Sandwell is a place where we live healthy lives and live them for longer, and where those of us who are vulnerable feel respected and cared for.

Ambition 8 - Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families.

THE IMPACT OF COVID-19

The Coronavirus pandemic began affecting everyday life in March 2020 with extra measures being introduced at all SLT centres mid-March. Enhanced cleaning and social distancing measures were put in place however the government announced the national closure of all leisure centres on 23rd March 2020.

While all centres were closed a core number of staff worked to prepare for when the government announced the re-opening of leisure centres. Preparations for creating Covid-19 secure centres included:

- Creating risk assessments that adhered to government guidance.

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- Adjusting various aspects of centres to allow social distancing such as creating a queue system, spacing apart equipment and producing signage for customer guidance.
- Regular building checks and cleaning.
- Implementing a new booking system.
- Ensuring staff are informed and up to date with training.
- Letting customers know of changes to operations via social media & email.
- Sourcing cleaning materials and PPE for staff.

Following the easing of restrictions, a Phased re-opening commenced with Portway Lifestyle Centre, Wednesbury Leisure Centre, Haden Hill Leisure Centre and Tipton Sports Academy opening from August 6th 2020. Harry Mitchell Leisure Centre and Hadley Stadium followed re-opening on September 2nd 2020. Due to essential building works Tipton Leisure Centre re-opened on October 5th 2020.

Bookable gym slots, fitness classes and swimming sessions were available as well as swimming lessons, indoor sports and outdoor sports. Customers were co-operative with the new Covid-secure measures in place and enjoyed the return to SLT's services.

Unfortunately, due to an increase in Coronavirus cases, leisure centres were once again closed and a national lockdown began on 5th November 2020. Centres once again closed and the relevant cleaning and building checks continued to take place until centres were able to re-open again one month later on 2nd December 2020.

December however saw another increase in Coronavirus cases and following government guidance, centres were once again closed from Thursday 31st December. The third national lockdown eased restrictions for outdoor sports on Monday 29th March and gyms were permitted to re-open on Monday April 12th meaning our centres didn't see much time open towards the end of this year.

This year has been challenging for people and businesses all around the world however despite the impact it may have had on SLT, customers and staff remained positive throughout and continue to support the trust.

Impact of Covid on budgets

	2020-21 £m
<u>Financial Impact of Covid 19</u>	
Loss of Income From Fees & Charges	6.4
Offset by:	
Grants	3.2
Net loss	(3.2)
Savings from Reduced Expenditure on	
Employees	1.6
Premises	0.8
Transport & Other Expenditure	0.6

Throughout the pandemic, the Council continued to pay the management fee.

HELPING THE COMMUNITY DURING THE PANDEMIC

Food Hub

A partnership was created with Sandwell Food Hub, SLT supported the team in delivering food and essential supplies to those who were the most vulnerable.

Vending donations

£4,500 worth of vending stock was donated to the Sandwell Food Hub by SLT which was shared with NHS frontline staff at Walsall Manor Hospital. Councillor Maria Crompton, Sandwell Council Deputy Leader and Cabinet Member for Safer Communities, said: "It was a really easy decision to use the stock donated by Sandwell Leisure Trust to provide much-needed refreshments to our local hospitals. They are doing such an amazing job and we wanted to show our appreciation and support."

Portway Reach

Funded by the National Lottery's Reaching Community programme Portway Reach aims to re-engage and support people 18 and over in the local community directly affected by Covid-19. Portway Reach aims to increase the confidence & self-esteem of individuals by re-introducing them into centres and back towards a healthy lifestyle.

Participants receive a free 4 weeks ONE Card membership, a virtual tour and induction of the building and a social media support group.

Vaccination Hubs

Portway Lifestyle Centre

Since the end of December, Portway became one of the first Vaccination Clinics set up, which seemed a most fitting use of the facility during lockdown, particularly with its strong links to the GP Practice and Sandwell and West Birmingham NHS Trust.

Lead by the Portway Family Practice, and used by more than 20 GP Surgeries across the Primary Care Network, the team have surpassed the target of offering a first vaccine dose to all of their patients who are registered to the GP Surgery within the top four priority groups by the middle of February. It is forecasted that 25,000 individuals will have received their first jab by the end of March.

Dr Arun Saini commented "we are delighted to be utilising the excellent facilities within the leisure centre in our efforts to vaccinate the local community. The support of colleagues at Portway and across all of the GP practices within the network including Nurses, GP's, Health care support staff and Volunteers has been truly overwhelming."

Tipton Sports Academy

As a well-known landmark close to good transport links, the venue in Wednesbury Oak Road proved to be a strong choice to support the work of the NHS in delivering the vaccine to the local community.

The vaccination centre at Tipton Sports Academy became operational from Monday 22 February, with the national vaccination effort being extended to further priority groups, as announced recently by the Department of Health and NHS England.

The first patient to receive a vaccination at Tipton Sports Academy when the doors opened on Monday 22 February was Mrs Christine Adams, aged 74, from Tipton. She received her vaccine from Consultant Nurse Michelle Dexter.

Mrs Adams said:

"I've been planning to get my vaccination for a couple of weeks so when I found out there was a centre opening just down the road at Tipton Sports Academy, it was ideal for me. Thanks to everyone – the NHS staff and all the scientists – who's looking after us so well."

Sally Roberts, Chief Nurse, Black Country and West Birmingham CCGs said:

"Across the Black Country and West Birmingham, a great many people are working hard to rollout vaccinations, starting with those most at risk. Our progress to date has been steady and I am delighted that we are now able to add another vaccination centre, capable of delivering thousands more vaccines each week."

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Ash Rai, Chief Executive of Sandwell Leisure Trust which runs Tipton Sports Academy, said:

"By hosting the vaccine centre at Tipton Sports Academy, we're able to support the NHS in providing immunisation for the local community. We already have vaccinations being offered at Portway Lifestyle Centre, in partnership with our local GPs. People who book an appointment when they're eligible and receive the vaccine will be helping the NHS in the most important public health initiative it has ever undertaken."

Sandwell Council deputy leader, Councillor Maria Crompton, said:

"This is fantastic news for us locally, in our fight across the borough against the coronavirus. Having Tipton Sports Academy on board as a vaccination centre will greatly increase the number of jabs we can deliver, and the speed at which we can administer them. It will make people safer from this deadly virus more quickly."

Quotes:

"Just like to say a big thank you to all your staff. Came for my Covid jab today. Felt really safe & well looked after. Thank you."

"I had taken my dad for his Covid jab. Lovely place, and the staff were lovely and so organised. 100% putting their lives at risk to help others...well done to each and everyone of you".

CHANGING WITH FITNESS

Team SLT at Home

During the national lockdown which took place from Thursday 5 November to Wednesday 2 December, a platform was set up for SLT members to join live and pre-recorded fitness classes by purchasing the 'Team SLT at Home' product. The service cost £9.99 for 30 days and 117 members were part of the group which enjoyed daily fitness classes suitable for all abilities.

Les Mills on Demand

As a result of SLT's partnership with Les Mills Fitness, customers could benefit from a discounted price on Les Mills On Demand. The platform offers over 800 workouts with many popular classes available such as BodyCombat, BodyPump, BodyBalance & GRIT. Over 749 members signed up and took advantage of the great discount.

Outdoor Workouts

In October Tier 3 restrictions on Sandwell meant that indoor fitness classes could not take place however outdoor fitness classes were allowed, social distancing permitted. Fitness teams at Portway Lifestyle Centre and Haden Hill Leisure Centre quickly adapted to this news offering outdoor fitness classes. Haden Hill Leisure Centre hosted fitness sessions in the park while Portway Lifestyle Centre offered classes on their 3G pitch and life trail. The classes provided a great alternative to indoor fitness classes enjoyed by many members.

SWIMMING IN SANDWELL

We are proud to continue to play a major role in the delivery of safe swimming in Sandwell. Swimming is an essential skill and the demand for learning and enjoying swimming in Sandwell continues to grow.

SLT Swimming Lessons deliver lessons for parent and baby/toddler, pre-school children, school children, young people, adults, and targeted sessions supporting people with disabilities. We work in partnership with Swim England delivering their Learn to Swim Programme. Although Covid-19 impacted capacities for swimming lessons this year, we were still able to offer a successful public swimming lesson programme that is recovering well.

SLT's popular Junior Lifeguard Academy aims to 'progressively challenge' learners to attain survival and rescue skills that can save lives and provide opportunities also leading to employment with SLT. Although Covid-19 halted our ability to run courses, we have high demand for Pool Lifeguard and Swimming Teacher courses and will be restarting as soon as restrictions ease.

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Over 11,000 school children from over 90 schools at key stage 1 and 2 receive swimming lessons with SLT in Sandwell each year with around 200 school lessons a week delivered during term-time. Covid-19 has impacted two academic years in achieving national curriculum standards. We are supporting local schools to support their key stage 1, 2 & 3 attainment recovery with sign up to Swim England's School Swimming & Water Safety Charter, as well as offering additional 'top up' swimming lessons where possible.

Free Swimming in Sandwell

Sandwell's free swimming scheme is delivered by SLT at pools across Sandwell. This initiative helps residents aged 60+ and those aged 16 and under to access quality safe swimming locally in Sandwell. Although Covid-19 impacted the timescale and logistics of Free Swimming this year, 4,582 Sandwell free swims have been delivered to those aged 16 and under or over 60.

THE RYLAND CENTRE

For many leisure providers around the world, 2020 was a challenging year with lockdowns, closures and many restrictions in place when facilities were able to open. For the Team at the Ryland Centre, this has given us an opportunity to diversify our product and in some cases hit the reset button.

During the first lockdown we offered a free online fitness class timetable, with over 200 people per session logging in. We used Facebook and Zoom as our platforms. To support the business in this stage we set up a donations page for members who still wanted to contribute and support the business. Our aim was to continue serving and supporting our members through these difficult times and to retain members for when we could re-open.

We saw a steady return in July 2020 to the gym and classes. With many restrictions in place this did affect our club use and hall hire on return.

We continued our online fitness offering and made this a part of our membership offer. Along with adding programmes such as beginner Yoga courses to increase income and help serve our customers.

In November 2020 we faced another lockdown, during this lockdown we made our online fitness programme a standalone product with over 450 sign ups to this membership.

With further restrictions and tiers in December, we created an outdoor fitness brand to enable us to continue delivering classes.

During the January - March Lockdown, we continued with a strong online membership.

Towards the end of the year, we have continued with online classes, a brand new outdoor fitness class product with 14 classes per week and we are set for a strong return throughout 2021.

OUR STAFF

We currently employ 424 staff, 64% are Sandwell residents and the staff turnover for 2020/21 was 5.8%.

For a large part of the year our centres were closed due to Covid-19, however, SLT continued to invest in staff training and development including £6,000 on new and updated E-learning modules including Infection Prevention and Control and Covid safety training to ensure staff continue to keep themselves and our customers safe.

Due to the various Coronavirus lockdowns throughout the year, staff were furloughed regularly. This meant that keeping staff informed and updated was essential, to do so regular staff emails were sent out. These emails varied from essential information, progress updates and mental health advice.

Investors in People

SLT received a glowing review following the interim review from the external IIP assessor Gordon Stopani:

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"Despite the significant challenges faced by SLT as a result of the pandemic, the Trust has successfully continued to make good progress and improvements in its approaches to keeping in touch with staff, supporting staff health and wellbeing, as well as forging even more extensive relationships with a range of community stakeholders. The interim IIP Review demonstrated that SLT has regularly maintained contact with its staff, seeking to ensure that they are safe and well and that any support they may need is provided. SLT has also been able to deliver some learning online, ensuring that it further maintains contact with staff.

It is clear from the regular staff communications, which have been adapted accordingly, that SLT has made the wellbeing of its staff a key priority for leaders and managers in the business to maintain a focus on. The information provided to staff via The Wellness Hub for example, provides extensive health-related information and signposting suited to those staff who find themselves requiring further support with health-related matters. For example, access to the 24-hour 'Doctorline' support is an excellent staff benefit which is available to all staff, something which few organisations have made available to their staff during the pandemic. Such measures clearly demonstrate SLT's on-going commitment to staff and their wellbeing.

What is also clear from the Review, is that SLT has been making extensive preparations for a return to work and ensuring that its staff continue to be supported both in terms of their safety, health and wellbeing and the training that will be necessary for them to undertake, in order to meet the requirements associated with their role. This positive and proactive approach to 're-setting and recovering' from the pandemic, clearly has staff wellbeing and staff interests at its heart."

The Wellness Hub

This year saw the launch of The Wellness Hub which is a new staff support service. We have teamed up with Westfield Health to provide 'Healthy Extras'.

The benefits of this will include:

- Together all - safe online space for you to explore things that are troubling you and get the support you need, in confidence
- 24 Hour Advice and Information Line, including access to a Health e-Hub
- DoctorLineTM - access to a GP 24/7
- Westfield Rewards Making employees' salaries go further – get discounts from over 1,000 leading high street and online retailers

The ambition for 'The Wellness Hub' is to create a 'go-to' area for all employees to access help, support and information to help maintain good mental and physical health.

Mental Health First Aiders, information and resources will be directed through this new service, with hopes of an employee steering group being set up to agree on focus areas and improve positive conversation around mental health across the organisation.

AWARD WINNING SERVICES

Maintaining and achieving external accreditation demonstrates how we are benchmarked within the leisure industry nationally. By providing award-winning services our customers are assured that they are receiving the best quality, safe services.

RoSPA Gold Award

SLT maintains the prestigious National RoSPA Gold Presidents Award, awarded by the Royal Society for the Prevention of Accidents (RoSPA). This is a highly sought after and internationally recognised accolade, not just for the leisure industry but sector wide. This award is proof of the high level of health and safety we provide for all our customers and staff.

Investors in People

SLT maintains Silver accreditation from Investors in People, an award only achieved by the top 15% of organisations in the UK. The Silver recognition demonstrates the high standard of people management and organisational development SLT has.

Quest Accreditation

Importantly, we also maintain Quest accreditation, a continuous improvement tool and the leisure industry's only recognised Quality Assurance scheme for facility management and sports development designed to measure how effective organisations are. The scheme enables organisations to benchmark themselves with other leading operators nationally that are independently verified.

This supports Sandwell's Vision 2030 Ambitions 1 & 10

Ambition 1 - Sandwell is a community where our families have high aspirations and where we pride ourselves on equality of opportunity and on our adaptability and resilience.

Ambition 10 - Sandwell now has a national reputation for getting things done, where all local partners are focused on what really matters in people's lives and communities.

OUR CUSTOMERS

"Just loved being back, I do ache, arms and back but even though it hurts it's a feeling I've missed sooooo much. So organised and well managed, I'm very proud to be an SLT member."

"Just wanted to thank you. Due to asthma, I belong to the vulnerable section. But seeing how much effort you put in of keeping the gym virus free, I enjoy coming everyday now."

"Just been to use the gym today using a pre-booked slot online. Hand sanitiser, clear directions, loads of cleaning spray, staff on hand to help, all the machines spaced out. Really excellently set up to use safely and social distance. So good to be back."

"Well done Wednesbury first time back yesterday absolutely got it right spotless everywhere cleaning stations layout brilliant...and to be back in a spin class was brilliant the staff must of worked really hard for us members thank you and well done."

"Great to be back at Hadley Stadium last night for badminton. Felt really safe. Staff cleaned equipment before we started, one way system and following Badminton England guidelines. Well done! And thank you."

"My grandson returned to his swimming lesson today at 4.15 with Tracey. I was very impressed with the organisation of Smethwick Swimming Centre from being greeted at the door and being shown through the one way system in place. The timing of the swimming lessons avoids several people being in the changing rooms at once. I observed social distancing being maintained and "hand touch" areas being cleaned. I would like to encourage everyone to return to their swimming lessons in this safe environment."

"It is actually fantastic! Due to advanced osteoarthritis in both my hips, I've had to give up running and rely heavily on swimming for exercise. Every morning I go in, the staff (lifeguards, reception and cleaning) are always really welcoming and friendly. I love it!"

"Really enjoyed the BLT class at Tipton Sports Academy, lots of space, sanitiser/wipes brilliant instructor, so glad to be back keeping fit, well done SLT and Les G".

SOCIAL FOLLOWERS

SLT Marketing and Comms team played a key role in keeping members and customers fully informed of opening hours, Covid-19 procedures and membership payments across all social media platforms and website. The website received over 215,000 visits which was down on previous year due to customers not using the timetable function daily due to enforced closures. Pages that were particularly well read were "Working to keep you safe" and all leisure industry guidance.

SLT delivered a fantastic "National Fitness Day" campaign which we produced a number of videos showing how safe it was to use the gyms and fitness classes and interviewing a range of customers who told us why fitness is important to them.

Our Facebook pages had a 6.4% increase of followers which contributed to a reach of over 4.7 million. Responding to our customers quickly and efficiently was business critical and a 95% time measured response rate was achieved across all channels.

To support the pandemic issues, our team produced in-house a series of videos and content to support members, customers and staff which laid out essential guidance for safe use of the facilities. In addition, SLT shared a huge range of community posts supporting Sandwell's Covid-19 efforts.

WHAT IS SLT'S PURPOSE

The purpose of Sandwell Leisure Trust (SLT) is to encourage and increase participation in physical activity, sport and leisure by the whole community. SLT is non-profit distributing which means as a trust and charity we reinvest 100% of any surplus to improve, maintain and deliver quality services for the whole community to enjoy, socialise in and become more active.

What are the direct and public benefits flowing from SLT's purpose?

The direct benefits that flow from SLT's overall purpose is to improve the health and well-being of the wider community in Sandwell, reduce the social isolation of its citizens through group physical activity and deliver sustainable sport and leisure services for future generations to enjoy.

The public benefits that flow from this purpose are:

- (a) an enhanced quality of life and sense of well-being through engagement with and participation in activities and events that bring people together, leading to improvements in physical and emotional well-being, quality of life and a more stable and cohesive community;
- (b) increased opportunities to engage in new physical activities that bring people together, leading to greater social cohesion and fulfilment;
- (c) enhanced active citizenship and involvement in community life.

How can these benefits be identified and measured?

These benefits can be identified through case study examples of how SLT is changing people's lives and measured by the sustained increase in participation in physical activity, sport and leisure throughout Sandwell.

Is there any harm arising from any of the purposes?

No harm arises from SLT's purpose, the beneficiaries are the general public and locally-based community and voluntary organisations, and that no private benefit arises from these purposes. The objects of SLT are to promote the benefits without distinction of sex, race or political, religious or other opinions. SLT will where possible use local suppliers and employ people from the diverse local community therefore supporting the local economy of Sandwell and will adopt efficient and environmentally friendly processes to optimise the best possible use of resources.

INVESTMENT POLICY

We have in our Memorandum & Articles of Association the power to make investments to fund the activities of the Trust. The level of investment is to be determined by the level of surplus cash available compared with the demand for resources required for the operation of services provided by the Trust.

We invest any surplus cash (not needed to meet immediate liabilities) with SMBC Corporate Finance under a Service Level Agreement. The SLA guarantees the Trust a rate of 0.3% below base rate on the day of investment on all balances and is virtually risk free.

RESERVES POLICY

The Board's current policy is to maintain an uncommitted reserve of £500k to protect against downside cost risks identified in our risk register. We are currently using planned accumulated surpluses to help meet the management fee reductions. The Board recognises that this is not sustainable in the long term and is working with SMBC about the level of service that can be provided in the long term with the available management fee. As at 31 March 2021, the charity had uncommitted reserves (being net current assets, less restricted and designated funds) of £399,410 (2020: £2,188,368) which is £100,590 below the £500k required.

RESERVES POLICY (continued)

Any uncommitted reserve will be used to support the recovery from the Covid19 pandemic. There is uncertainty around future cashflows following the Government enforced closure from 21st March 2020 across all LC's. Once lockdown restrictions are lifted, it will take time to renew customer confidence to the level it was prior to the pandemic. Please refer to page 16 and the accounting policies on page 25 for more information on going concern.

A key element of the overall financial position of the Trust is the long-term affordability of its pensions' obligations to its employees. FRS 102 calculations within the financial statements are based on returns on Government Gilt Edged stock (gilts). At the year end, because market interest rates are at a 30 year low gilts are showing a very low rate of return. The pension charge calculations within our accounts are based on this calculation. FRS 102 is based on taking the current rate of return, whatever that is, and assuming it will be maintained for thirty years. During a down-turn, this can produce what could be considered an overly pessimistic forecast of pension fund returns and potentially an overstated estimate of pension fund liabilities within the statutory accounts.

The West Midland's pension fund actuary calculates employer contribution rates using a wider range of assets that better reflect current and future market conditions. These calculations are therefore much more driven by the overall long-term state of the market and the result is that they assume lower levels of contribution from the trust are needed to meet the pension fund obligations.

A risk facing the charity is the maintenance of adequate funding for the charity's pension liabilities. The financial statements report the share of the Local Government Pension Scheme deficit (£19,365k) on the Charity's balance sheet in line with the requirements of FRS 102. The risk is mitigated by an agreed deficit recovery plan with the West Midlands Pension Fund.

FINANCIAL PERFORMANCE

A set of KPI's are agreed and monitored by the Board.

The results for the year are shown in the Statement of Financial Activities on page 22.

Prior to the Covid-19 Pandemic the Trust had increased income year on year by over 200k since its incorporation despite reductions in the Management Fee. However 2020 saw a reduction in income as the leisure centres were closed for the majority of the financial year due to Government enforced closures (3 lockdowns), and when the centres opened it was under Covid secure measures which impacted maximisation of income.

Expenditure was significantly down in 2020 again due to the closure of centres and because the majority of employees were furloughed which resulted in:

- reduced use of casual and self-employed workers from the month of July
- Furlough deduction (ie paying furloughed staff 80% of their salary up to a maximum of £2,500) from May 2020.

Other reduced expenditure in 2020 due to the closure of facilities was from:-

- Utilities – Reduced consumption at closed sites.
- Minor works - Reduced spend on repairs due to centres being closed.
- Equipment – renegotiated service contracts eg life Fitness, Les Mills
- Printing & stationery/vending supplies – reduced purchases/ movement in stock
- G4s / Bank Charges – There was no cash collection service during the closures, and we also took the decision to reduce the frequency of cash collections from weekly to monthly w.e.f November during phase 1 and 2 reopening as we encouraged online bookings and cashless transactions.
- Insurance – The premium was reduced due to reduced income assumptions for the financial year as a result of closures and reduced claims

FINANCIAL PERFORMANCE (continued)

- Reduced irrecoverable VAT, in the first 2 quarter's this was calculated at 8% and 35% respectively because of the proportion of vatable sales to total sales. Quarter 3 IV amounted to 46%. Whilst the centres were closed exempt income was significantly reduced, and the Council continued to pay the management fee, which resulted in improved partial exemption

The Statement of Financial Activities shows net expenditure for the charity of £1,482,358 (2020: net expenditure of £1,100,889) before actuarial adjustments required to account for participation in the local government pension scheme. The net result after these adjustments was a net decrease in funds of £11,088,358 (2020: net increase in funds of £1,787,111). At 31 March 2021, the charity had net liabilities of £15,986,647 (2020: net liabilities of £4,898,289) of which £32,865 were restricted funds, £1,978,773 were designated funds, £1,366,715 were held as unrestricted charitable funds, and a deficit of £19,365,000 represented the charity's share of the deficit in the local government pension scheme.

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

SLT encourages the involvement of all employees in its management through regular meetings that take place at a local site level through to senior management and board of trustees of which a staff representative is elected each year and contributes at Board level.

SLT also recognises a number of Trade Unions and has a formal agreement which enables the Trust Management Team to meet with them jointly on a quarterly basis to discuss and consult on employee related matters.

SLT will and does employ disabled persons whereby the individual has demonstrated the ability to undertake the role either with or without any reasonable adjustments. Disabled candidates are given full and fair consideration when such vacancies arise and reasonable adjustments are considered and made to support candidates through the recruitment process through to employment if they are successful.

During employment, the trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training and development opportunities are available to enable them to reach their full potential.

GOING CONCERN

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable 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.

The Trust has net liabilities of £15,986,647 (2020: £4,898,289) at 31 March 2021 due to the significant defined benefit pension scheme liability of £19,365,000 (2020: £8,847,000).

Following the uncertainty presented by Covid-19, management has reassessed the going concern assumption and confirms that it remains appropriate based on the strong cash position which enables the charitable company to sustain its business and meet its liabilities as they fall due despite the Covid-19 situation.

Management has stress tested their forecasts which indicate that the charitable company has sufficient cash to sustain its business for at least 12 months from the date of the signing of the audit report thus supporting the assertion to prepare the accounts on a going concern basis, despite uncertainty surrounding how the Covid-19 situation will impact the business over that period. The charitable company will continue to monitor the situation closely and adapt to changing ways of doing business over the coming months.

FUTURE DEVELOPMENTS

The Trust is currently supporting the Local Authority with a Built Facilities Strategy as part of an overall borough strategy to support improvements in Health and education, growing employment opportunities and providing good quality services.

**SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2021**

TRUSTEES REPORT APPROVAL

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities.

In preparing this report, the trustees have had due regard to the Charity Commission Guidance on public benefit.

The Trustees' Report, incorporating both the Strategic Report and the Governance Report, is approved by the Trustees, by whose authority it is signed below:



L BATEMAN
Chair

21/12. 2021

Statement of Trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which 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 charity 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;
- 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 keeping proper accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL LEISURE TRUST

Opinion

We have audited the financial statements of Sandwell Leisure Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 charitable company'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 the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic 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 and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL LEISURE TRUST

Matters on which we are required to report by exception

In the 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 or the Strategic Report included within the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 18, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL LEISURE TRUST

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Health and Safety at Work Act 1974. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and reviewed the Board of Trustees minutes.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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.

Anna Spencer-Gray

Anna Spencer-Gray (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Date: 21 December 2021

SANDWELL LEISURE TRUST
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT)
For the year ended 31 March 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:					
Charitable activities	2	7,303,818	45	7,303,863	10,416,320
Other trading activities		226,635	-	226,635	421,778
Investments		1,471	-	1,471	15,798
Total income		7,531,924	45	7,531,969	10,853,896
Expenditure on:					
Raising funds	3	17,830	-	17,830	140,204
Charitable activities	3	8,996,497	-	8,996,497	11,814,581
Total expenditure		9,014,327	-	9,014,327	11,954,785
Net income/(expenditure) for the year	1	(1,482,403)	45	(1,482,358)	(1,100,889)
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension scheme	16	(9,606,000)	-	(9,606,000)	2,888,000
Net movement in funds		(11,088,403)	45	(11,088,358)	1,787,111
Funds at 1 April 2020		(4,931,109)	32,820	(4,898,289)	(6,685,400)
Funds at 31 March 2021		(16,019,512)	32,865	(15,986,647)	(4,898,289)

The income and expenditure for the year arise from the charity's continuing operations.

All gains and losses recognised in the year are included above.

SANDWELL LEISURE TRUST
BALANCE SHEET
31 March 2021

Company Registration No: 05011501

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	5	967,305	1,187,525
Current assets			
Stocks	6	20,273	27,647
Debtors	7	450,315	154,436
Cash at bank and in hand		3,708,690	4,064,269
		4,179,278	4,246,352
Creditors: amounts falling due within one year	8	(1,768,230)	(1,485,166)
Net current assets		2,411,048	2,761,186
Net assets excluding pension scheme liability		3,378,353	3,948,711
Defined benefit pension scheme liability	16	(19,365,000)	(8,847,000)
Net (liabilities) including pension scheme liability		(15,986,647)	(4,898,289)
Represented by:			
Restricted funds	10	32,865	32,820
Unrestricted funds:			
General funds	11	1,399,515	3,375,891
Designated funds	12	1,945,973	540,000
		3,345,488	3,915,891
Pension fund		(19,365,000)	(8,847,000)
Total unrestricted funds		(16,019,512)	(4,931,109)
Total (deficit)		(15,986,647)	(4,898,289)

The financial statements on pages 22 - 39 were approved by the board of trustees and authorised for issue on 21 December 2021 and are signed on its behalf by:


L BATEMAN
Chair

SANDWELL LEISURE TRUST
STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities:		
Net cash (used in)/provided by operating activities	(306,663)	349,810
Cash flows from investing activities:		
Interest	1,471	15,798
Purchase of tangible fixed assets	(50,387)	(248,850)
Net cash (used in) investing activities	(48,916)	(233,052)
Increase in cash and cash equivalents in the year	(355,579)	116,758
Cash and cash equivalents at the beginning of the year	4,064,269	3,947,511
Total cash and cash equivalents at the end of the year	3,708,690	4,064,269

**RECONCILIATION OF NET (EXPENDITURE) TO NET CASH FLOWS
FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net (expenditure) as per the SOFA	(1,482,358)	(1,100,889)
Depreciation	270,606	291,545
Interest	(1,471)	(15,798)
Decrease in stocks	7,374	6,860
(Increase)/decrease in debtors	(295,879)	42,056
Increase/(decrease) in creditors	283,064	(224,965)
Defined benefit pension scheme	912,000	1,351,000
Net cash (used in)/provided by operating activities	(306,663)	349,810

ANALYSIS OF CHANGES IN NET FUNDS

	2020 £	Cash flow £	2021 £
Cash in hand and at bank	4,064,269	(355,579)	3,708,690
Net funds	4,064,269	(355,579)	3,708,690

SANDWELL LEISURE TRUST

ACCOUNTING POLICIES

GENERAL INFORMATION

Sandwell Leisure Trust is a charity, registered with the Charity Commission in England and Wales, and a private company limited by guarantee, incorporated in England. The address of the Charity's registered office is Carnegie Building, Victoria Road, Tipton, West Midlands, DY4 8SR.

Its principal activity is the managing of sports and leisure centres in Sandwell.

BASIS OF ACCOUNTING

The accounts (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 on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £ unless otherwise stated.

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

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below:

GOING CONCERN

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable 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.

The Trust has net liabilities of £15,986,647 (2020: £4,898,289) at 31 March 2021 due to the significant defined benefit pension scheme liability of £19,365,000 (2020: £8,847,000).

Following the uncertainty presented by Covid-19, management has reassessed the going concern assumption and confirms that it remains appropriate based on the strong cash and net asset position which enables the charitable company to sustain its business and meet its liabilities as they fall due despite the Covid-19 situation.

Management has stress tested their forecasts which indicate that the charitable company has sufficient cash to sustain its business for at least 12 months from the date of the signing of the audit report thus supporting the assertion to prepare the accounts on a going concern basis, despite uncertainty surrounding how the Covid-19 situation will impact the business over that period. The charitable company will continue to monitor the situation closely and adapt to changing ways of doing business over the coming months.

INCOME

Other trading activities

Income from the operation of catering facilities is included in income in the period in which the charity becomes entitled to the receipt.

Income from charitable activities

All income (predominantly from the operation of sports centres and the golf course) is recognised in the period in which it is earned (that is, as the related goods or services are provided).

SANDWELL LEISURE TRUST

ACCOUNTING POLICIES

INCOME (continued)

Grants receivable

Revenue and capital grants receivable are recognised in the Statement of Financial Activities when conditions attaching to the grant are satisfied. Grants receivable for capital expenditure are maintained in a restricted fund to which depreciation of the relevant asset is charged.

Government grants (including CJRS claims) are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Membership income

Income from Membership (Golf Season Tickets and One Card) is recognised over the period covered by the Membership.

Income from investments

Investment income is recognised on a receivable basis.

Other income

Other income is recognised as earned.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is recognised in the period in which the liability is incurred. Expenditure includes attributable VAT, which cannot be recovered.

Expenditure on charitable activities is allocated to the particular activity where the cost relates directly to that activity. Where costs are attributable to more than one activity, the costs are apportioned across those activities on the basis of an estimate of their usage.

Governance costs are those costs incurred in connection with administration of the Trust and compliance with constitutional and statutory requirements.

FUNDS

Funds held by the Trust are either:

- Unrestricted general funds – these are funds, which can be used in accordance with the charitable objects at the discretion of the trustees.
- Pension fund (unrestricted) – these are funds representing the defined benefit pension scheme obligation.
- Designated funds – these are unrestricted funds that have been set aside by the Trustees for particular purposes. These funds are reviewed annually.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each restricted fund is included in the notes to the financial statements.

TANGIBLE FIXED ASSETS

Individual fixed assets costing more than £1,000 are capitalised at cost. Fixed assets are stated at historical cost, less accumulated depreciation and any provision for impairment.

SANDWELL LEISURE TRUST ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS (continued)

Depreciation is provided on all tangible fixed assets (excluding freehold land) at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Plant and Machinery	7 years
Sports Equipment	5 years
IT Equipment	3 years
Office Equipment	5 years

The Trust charges a full year's depreciation in the year of acquisition and no depreciation in the year of disposal.

Refurbishment works are capitalised and written off over the estimated life of the scheme from the date the project is complete and open to the public. Refurbishment works are depreciated over their expected useful life of 10 years.

STOCKS

The Trust holds sports equipment for resale (e.g. swimming goggles) and vending stock.

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete and slow moving items.

LEASED ASSETS AND OBLIGATIONS

All leases are operating leases and the annual rentals are expensed on a straight-line basis over the lease term.

RETIREMENT BENEFITS

For defined benefit schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the SOFA.

Defined benefit schemes are funded, with the assets held separately from the charitable company in separate trustee administered funds.

Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit credit method and discounted at the current rate of return. A pension scheme asset is recognised on the Balance Sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

SANDWELL LEISURE TRUST

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of a financial nature. Such financial instruments, except for investments classified at fair value through the Statement of Financial Activities, are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Fees receivable are recognised at the settlement amount due after any trade discounts offered.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and monies on short term deposit, at the bank and other short-term liquid investments with original maturities of three months or less.

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount allowing for any trade discounts due.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined Benefit Pension Scheme Actuarial assumptions

The present value of the defined benefit pension scheme liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1	NET EXPENDITURE	2021 £	2020 £
	Net expenditure is stated after charging:		
	Depreciation of tangible fixed assets:		
	Owned assets	270,606	291,545
	Operating lease rentals		
	- plant and machinery	115,551	110,044
	Auditor's remuneration		
	- as auditor	21,110	14,441
	- other services – VAT advice	2,000	4,000
	Internal audit	12,300	18,000

2 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from operation of sports facilities	1,283,696	-	1,283,696	7,512,251
Grants (management fees)	2,779,864	45	2,779,909	2,904,069
CJRS income and Covid grants	3,240,258	-	3,240,258	-
	7,303,818	45	7,303,863	10,416,320

3 ANALYSIS OF TOTAL EXPENDITURE

	Unrestricted Funds £	Pension Reserve £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Other trading activities					
Cost of goods sold	10,194	-	-	10,194	134,853
Other	7,636	-	-	7,636	5,351
	17,830	-	-	17,830	140,204
Charitable activities					
Staff costs	5,526,225	711,000	-	6,237,225	7,842,450
Other employee costs	75,683	-	-	75,683	316,923
Premises	1,017,433	-	-	1,017,433	1,593,671
Transport	-	-	-	-	51
Professional fees	22,527	-	-	22,527	20,999
Depreciation	270,606	-	-	270,606	291,545
Other	1,125,120	201,000	-	1,326,120	1,701,431
Governance costs	46,903	-	-	46,903	47,511
	8,084,497	912,000	-	8,996,497	11,814,581

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

3 ANALYSIS OF GOVERNANCE COSTS

	Unrestricted Funds	Pension Reserve	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Legal costs	33,410	-	-	33,410	32,441
Trustee indemnity insurance	578	-	-	578	439
Staff costs relating to preparation and attendance at trustee meetings	12,915	-	-	12,915	14,350
Other	-	-	-	-	281
Total	46,903	-	-	46,903	47,511

Staff costs have been allocated in accordance with the percentage of time spent by employees. All other costs have been allocated on a direct basis.

4 TRUSTEES AND EMPLOYEES

No remuneration is paid to any trustee (director) in respect of their service as Trustees. No expenses were reimbursed to trustees (2020: no trustees) during the period (2020: £nil). Trustee indemnity insurance of £578 (2020: £439) was purchased during the year.

	2021 £	2020 £
Staff costs		
Wages and salaries	4,656,018	5,634,457
Social security costs	289,112	418,903
Pension costs	1,305,009	1,803,440
	6,250,139	7,856,800
	2021 Number	2020 Number
Average number of persons employed, including executive directors (FTE)	164	190
Average number of persons employed, including executive directors (head count)	424	485

These employees carry out a variety of duties including direct charitable, management and administration tasks.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

4 TRUSTEES AND EMPLOYEES (CONTINUED)

One (2020: one) employee earned in excess of £60,000 during the period. This employee earned between £80,000 and £90,000 (2020: One).

Pension contributions in respect of higher paid staff amounted to £13,956 (2020: £13,180). One higher paid staff member is accruing benefits under the defined benefit pension scheme.

Remuneration paid to key management personnel (including the above, employer's pension contributions and employer's National Insurance) was £265,412 (2020: £265,436).

Redundancy and termination payments paid during the period amounted to £42,336 (2020: £nil).

One employee served as a Trustee. The total remuneration during the period (including employer's pension contributions, employer's National Insurance, redundancy & termination costs) was £14,447 (2020: £17,504). No other remuneration was paid to a Trustee.

5 TANGIBLE FIXED ASSETS

	Freehold land £	Refurbishment costs £	Plant & Machinery £	Sports Equipment £	IT & Office Equipment £	Total £
Cost						
At 1 April 2020	467,826	2,169,586	200,520	1,301,107	828,596	4,967,635
Additions	-	-	-	-	50,387	50,387
	<u>467,826</u>	<u>2,169,586</u>	<u>200,520</u>	<u>1,301,107</u>	<u>878,983</u>	<u>5,018,022</u>
31 March 2021	467,826	2,169,586	200,520	1,301,107	878,983	5,018,022
	<u>467,826</u>	<u>2,169,586</u>	<u>200,520</u>	<u>1,301,107</u>	<u>878,983</u>	<u>5,018,022</u>
Depreciation						
At 1 April 2020	-	1,790,717	138,651	1,035,438	815,304	3,780,110
Charge for year	-	119,079	14,235	109,203	28,090	270,606
	<u>-</u>	<u>1,909,796</u>	<u>152,886</u>	<u>1,144,641</u>	<u>843,394</u>	<u>4,050,717</u>
31 March 2021	-	1,909,796	152,886	1,144,641	843,394	4,050,717
	<u>-</u>	<u>1,909,796</u>	<u>152,886</u>	<u>1,144,641</u>	<u>843,394</u>	<u>4,050,717</u>
Net book amount						
31 March 2021	467,826	259,790	47,634	156,466	35,589	967,305
	<u>467,826</u>	<u>259,790</u>	<u>47,634</u>	<u>156,466</u>	<u>35,589</u>	<u>967,305</u>
31 March 2020	467,826	378,869	61,869	265,669	13,292	1,187,525
	<u>467,826</u>	<u>378,869</u>	<u>61,869</u>	<u>265,669</u>	<u>13,292</u>	<u>1,187,525</u>

6 STOCKS

	2021 £	2020 £
Goods for resale	20,273	27,647
	<u>20,273</u>	<u>27,647</u>

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

7 DEBTORS

	2021	2020
	£	£
Trade debtors	29,683	142,316
Other debtors	414,689	8,886
Prepayments	5,943	3,234
	<u>450,315</u>	<u>154,436</u>

Included within other debtors above are amounts due after more than one year of £13,400 (2020: £10,871) in respect of car loans to staff who qualify under their Terms and Conditions of Service.

8 CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	131,018	183,228
Other taxation and social security	155,637	220,617
Other creditors	245,725	86,034
Accruals and deferred income	1,235,850	995,287
	<u>1,768,230</u>	<u>1,485,166</u>

9 DEFERRED INCOME

	£
Balance as at 1 April 2020	212,648
Amount released to income	(212,648)
Amount deferred in the year	237,054
	<u>237,054</u>
Balance as at 31 March 2021	<u>237,054</u>

Deferred income represents prepaid membership income for the coming year and hire of facilities income received in advance.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

10 RESTRICTED FUNDS

The funds of the charity include restricted funds held on trust to be applied for specific purposes.

	Movement in Funds			
	Balance 1 April 2020 £	Income £	Expenditure £	Transfers £
Physical Activity Board	17,970	45	-	-
Street Games	12,420	-	-	-
Active Citizens	2,430	-	-	-
Total	32,820	45	-	-

	Movement in Funds			
Prior Year	Balance 1 April 2019 £	Income £	Expenditure £	Transfers £
Physical Activity Board	11,037	6,933	-	-
Street Games	12,420	-	-	-
Active Citizens	2,430	-	-	-
Total	25,887	6,933	-	-

Physical Activity Board

This fund represents the contributions to the Physical Activity Board from SLT and other partners such as PCT, and Sport Colleges to support work in the voluntary sector.

StreetGames

The grant from StreetGames will be used to fund activity in partnership with StreetGames, including weekly activity for local young people in sports which may include football, basketball, cricket, street cheer, cycling etc. In addition, school holiday sports programmes and events such as bmxing festival. The activity will be focused on the most deprived areas of West Bromwich, Smethwick, Tipton, Rowley and Oldbury.

Active Citizens

This grant is from the Police and is aimed at intervention around physical activity for non-sporty girls. Motivational programmes are developed for girls not achieving, or with behavioural problems, life issues, poor school attendances etc.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

11 UNRESTRICTED GENERAL FUNDS

	2021 £	2020 £
1 April 2020	3,375,891	3,132,713
Net (expenditure)/income	(570,403)	243,178
Transfer to designated fund	(1,405,973)	-
	<hr/>	<hr/>
31 March 2021	1,399,515	3,375,891
	<hr/>	<hr/>

General Funds include an amount for the Ryland Repair Fund.

12 DESIGNATED FUNDS

	2021 £	2020 £
1 April 2020	540,000	540,000
Transfer from unrestricted general funds	1,405,973	-
	<hr/>	<hr/>
31 March 2021	1,945,973	540,000
	<hr/>	<hr/>

Sandwell Aquatics Fund

During 2019-20, the Trustees designated £540,000 to help support the Council in the delivery of the Sandwell Aquatics Centre

Ryland Repair Fund

In 2020-21 Trustees designated £185,373 to the Ryland Repair Fund to deal with all major lifecycle maintenance issues, including the replacement of the athletics track

Redundancy Fund

In 2020-21 Trustees designated £240,000 to deal with future redundancy costs associated with closing facilities in preparation for when the new Sandwell Aquatic Centre is operational.

Business Plan 2021-2023 Fund

In 2020-21 the Trustees designated £313,400 of reserves to support the 2020-2023 Business Plan

Investment Portfolio Fund

In 2020-21 the Trustees designated £500,000 to support the development of an investment strategy/portfolio to generate increased income and thereby enabling the Trust to reduce the Management Fee in future years. The process commenced February 2020 but put into abeyance following the outbreak of the Covid-19 pandemic crisis.

Energy Saving Opportunities Fund

In 2020-21 Trustees designated £100,000 towards Investing in new energy efficiency projects across SLT facilities which will lead to reduced carbon footprint, reduced energy costs, which again will help to reduce the Management fee.

Wednesbury Leisure Centre Sauna

In 2020-21 Trustees designated £35,000 for the installation of the sauna & steam facility at Wednesbury LC, which is still an outstanding commitment, subject to agreeing a final plan with SMBC.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

12 DESIGNATED FUNDS (CONTINUED)

Transformation Fund

In 2020-21 the Trustees designated £30,000 towards implementing additional modules that will generate more efficiency for example Rostering, once we have embedded Recruitment and Selection.

TSA /Hadley Project Fund

In 2020-21 the Trustees designated £25,000 to develop an income-generating project at either TSA or Hadley

Partnership Fund

In 2020-21 the Trustees designated £10,000 to Professional fees for negotiations to investigate the potential of a partnership with the Albion Foundation to use Hadley in return for premier league investment on the site.

13 ANALYSIS OF NET ASSETS/(LIABILITIES) BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Tangible fixed assets	967,305	-	967,305	1,187,525
Stocks	20,273	-	20,273	27,647
Debtors	450,315	-	450,315	154,436
Cash at bank and in hand	3,675,825	32,685	3,708,690	4,064,269
Creditors due within one year	(1,768,230)	-	(1,768,230)	(1,485,166)
Defined benefit pension scheme liability	(19,365,000)	-	(19,365,000)	(8,847,000)
Net assets/(liabilities)	(16,019,512)	32,685	(15,986,647)	(4,898,289)
Prior year – 31 March 2020:	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Tangible fixed assets	1,187,525	-	1,187,525	1,230,220
Stocks	27,647	-	27,647	34,507
Debtors	154,436	-	154,436	196,492
Cash at bank and in hand	4,031,449	32,820	4,064,269	3,947,511
Creditors due within one year	(1,485,166)	-	(1,485,166)	(1,710,130)
Defined benefit pension scheme liability	(8,847,000)	-	(8,847,000)	(10,384,000)
Net assets/(liabilities)	(4,931,109)	32,820	(4,898,289)	(6,685,400)

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

14 COMMITMENTS UNDER OPERATING LEASES

	2021 £	2020 £
At 31 March 2021, the Charity had total future commitments under non-cancellable operating leases as follows:		
Plant and machinery:		
Amounts due within one year	39,197	44,704
Amounts due within one to five years	202	520
	<u>39,399</u>	<u>45,223</u>

15 TAXATION

The company, which is a registered Charity, is exempt from taxation on its charitable activities.

16 PENSION COSTS

Defined benefit scheme

The Trust participates in a pension scheme operated by the West Midlands Pension Fund. The West Midlands Pension Fund is a funded scheme, with the assets held in separate trustee administered funds.

There were outstanding contributions of £68,928 (2020: £75,454) at the year end, included within other creditors.

The Charity expects to make contributions in the year ended 31 March 2022 of £611,000 (2021: £686,000).

The following information is based upon a full actuarial valuation of the Fund at 31 March 2017 updated to 31 March 2021 by a qualified independent actuary.

	At 31 March 2021	At 31 March 2020
Rate of increase in salaries	3.8%	2.8%
Rate of increase in pensions in payment	2.8%	1.8%
Discount rate	2.05%	2.35%
Inflation assumption	2.8%	1.8%

The current mortality assumptions included sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2021	At 31 March 2020
Retiring today:-		
Males	21.6	21.9
Females	23.9	24.1
Retiring in 20 years:-		
Males	23.4	23.8
Females	25.8	26.0

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

16 PENSION COSTS (continued)

The fair value of the assets in the scheme was:

	2021 £000	2020 £000
Equities	17,095	13,705
Government Bonds	2,890	2,798
Other Bonds	1,114	1,006
Property	2,096	2,141
Cash	1,734	864
Other	4,087	3,561
	<u>29,016</u>	<u>24,075</u>
Total fair value of assets		

	2021 £000	2020 £000
Trust's estimated asset share	29,016	24,075
Present value of scheme liabilities	(48,381)	(32,922)
	<u>(19,365)</u>	<u>(8,847)</u>
Deficit in the scheme		

**ANALYSIS OF THE AMOUNT CHARGED TO STATEMENT
OF FINANCIAL ACTIVITIES**

	2021 £000	2020 £000
Employer contributions	609	650
Current service cost	(1,302)	(1,383)
Past service cost	(1)	(355)
Net interest cost	(201)	(247)
Administration expenses	(17)	(16)
	<u>(912)</u>	<u>(1,351)</u>

**Analysis of the amount charged to actuarial (losses)/gains
on defined benefit pension scheme**

	2021 £000	2020 £000
Remeasurements (assets)	4,099	(1,612)
Other actuarial gains on assets	-	344
Experience gains and losses on liabilities	339	(545)
Change in demographic assumptions	407	(818)
Changes in assumptions	(14,451)	5,519
	<u>(9,606)</u>	<u>2,888</u>
Actuarial (loss)/gain recognised in SOFA		

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
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16 PENSION COSTS (continued)

Cumulative actuarial losses recognised in the SOFA totalled £9,901,000 (2020: £295,000 loss).

	2021 £000	2020 £000
Movement in deficit during year		
Deficit in scheme at beginning of year	(8,847)	(10,384)
Movement in year:		
Current service cost		
Past service cost	(1,302)	(1,383)
Contributions	(1)	(355)
Net return on assets	609	650
Actuarial (loss)/gain	(201)	(247)
Administrative expenses	(9,606)	2,888
	(17)	(16)
Deficit in scheme at end of year	(19,365)	(8,847)
Asset and Liability reconciliation		
	2021 £000	2020 £000
Reconciliation of liabilities:		
Liabilities at start of year	32,922	34,702
Current service cost	1,302	1,383
Interest cost	770	848
Member contributions	236	265
Return on assets less interest	14,451	(5,519)
Change in demographic assumptions	(407)	818
Experience loss on defined benefit obligation	(339)	545
Benefits paid	(555)	(475)
Past service cost	1	355
Liabilities at the end of year	48,381	32,922
Reconciliation of assets:		
Assets at start of year	24,075	24,318
Interest on plan assets	569	601
Actuarial gains/(losses)	4,099	(1,612)
Administrative expenses	(17)	(16)
Employer contributions	609	650
Member contributions	236	265
Benefits paid	(555)	(475)
Other actuarial gains	-	344
Assets at the end of year	29,016	24,075

The actual return on scheme assets was £4,668,000 (2020: loss of £1,011,000).

Under the Management and Funding Agreement (MFA) with Sandwell MBC, the Council bears the risk of changes in the superannuation contribution rate for the establishment that transferred to the Trust on 1 April 2004 and the Trust's Management Fee is adjusted to reflect this. As a result, the Trust only bears the risk of any shortfall relating to additional superannuation costs it has incurred over and above the amounts funded by the Council. In FY2020/21 the level of management fee relating to superannuation covered the Trust's actual expenditure.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

17 COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee amounting to £1 for each member in the event of the charitable company being wound up.

18 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income from:			
Charitable activities	10,409,387	6,933	10,416,320
Other trading activities	421,778	-	421,778
Investments	15,798	-	15,798
Total income	10,846,963	6,933	10,853,896
Expenditure on:			
Raising funds	140,204	-	140,204
Charitable activities	11,814,581	-	11,814,581
Total expenditure	11,954,785	-	11,954,785
Net income/(expenditure) for the year	(1,107,822)	6,933	(1,100,889)
Other recognised gains and losses			
Actuarial gains on defined benefit pension scheme	2,888,000	-	2,888,000
Net movement in funds	1,780,178	6,933	1,787,111
Funds at 1 April 2019	(6,711,287)	25,887	(6,685,400)
Funds at 31 March 2020	(4,931,109)	32,820	(4,898,289)