



SANDWELL LEISURE TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2023

Company Registration No. 05011501
Registered Charity No. 1102431

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2023

Foreword

This was our 18th year of operation and in the most challenging of times SLT has maintained its award-winning services and worked tirelessly to build confidence, offer an affordable choice and support a growth of physical activity in Sandwell.

Whilst the pandemic seems a distant memory, the full recovery lingers on coupled with a challenging financial climate, the cost of living and energy crisis, this continues to be a difficult commercial climate for the leisure industry. We are pleased to see the continued confidence grow in our customers using the services they enjoy. In no small part this is driven by the commitment and dedication of our staff teams. SLT is proud to be a key partner helping to design, develop and support the delivery of the aquatic facilities that hosted the 2022 Birmingham Commonwealth Games at Sandwell Aquatics Centre, a world class legacy aquatic and leisure facility for the communities of Sandwell.

Our customers are at the heart of everything we do, it is vital we continue to demonstrate the social impact we make by showcasing the testimonials and feedback of how the Trust continues to change 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 also value and recognise our key partnership with Sandwell Council and Public Health to serve the communities of Sandwell.

“All of our achievements would not be possible without the hard work and commitment of our employees, the effective leadership and expertise of our managers and the dedication of our Board.”

Lynda Bateman, Former Chair of SLT Board

Leadership Team

- Mark Braithwaite, Chief Executive Officer
- Mark Wildman, Business & Commercial Manager
- Sonia Dillion, Finance Manager & Company Secretary
- Trina Siviter, HR Business Partner

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TRUSTEES' REPORT
for the year to 31 March 2023

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)
L Bateman (Chair from 06.09.16, resigned 01.09.23)	
P Venables (Chair from 13.11.23)	(appointed 04.02.14)
P Piddock	(appointed 11.09.18)
P Kaur	(appointed 11.09.18)
R McVittie	(appointed 26.01.21, resigned 05.05.23)
T Barter	(appointed 19.11.21, resigned 17.05.23)
N King	(appointed 17.05.23)
A Phillips	(appointed 17.05.23)
T Pearce	(appointed 17.05.23)
H Turner	(appointed 17.05.23)
M Briggs	(appointed 13.06.23)

CHIEF EXECUTIVE

A Rai until 31.05.22

Leadership Team from May 2022

M Braithwaite (Secondee from Sandwell MBC from 01.05.23)

SECRETARY

S Dillion

REGISTERED OFFICE

Tipton Sports Academy
Wednesbury Oak Road
Tipton
DY4 0BS

REGISTERED NUMBERS

Company registration number 05011501

Registered charity number 1102431

AUDITORS

RSM UK Audit LLP
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

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 19.

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 there is also an appraisal scheme and a process for Board performance and effectiveness.

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 is a non-profit distributing organisation 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.

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

The Trust manages 9 sports and leisure centres, including 6 swimming pool facilities, 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 managed a 10th sports and leisure centre outside of Sandwell – the Ryland Centre in Bromsgrove. The Ryland centre was transferred to the Bromsgrove School on 05.04.23.

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

SLT MAKING AN IMPACT FOR SANDWELL IN 2022-23

SOCIAL VALUE

SLT's 'social value' is again better than the UK leisure sector average and within the top 30%, Sandwell Leisure Trust is heralding its key headlines, independently verified of:

- Total social value across the 9 sites in 22/23 has grown to **£11.47million**, up from £8.44million in 21/22
- Social value was generated from **nearly 100K participants** with the **vast majority coming from the Sandwell area**
- Average social value per person is £118, which is in the **top 30% of the sector**.

Generating and delivering nearly **£11.5million of social value*** back to Sandwell.

This figure for the 22/23 financial year has increased significantly from 21/22 - highlighting the continued recovery and confident return to physical activity in Sandwell, which is above the average standard for the industry.

The Social Value report quantifies and benchmarks the contribution sport and leisure services make on four main categories:

- Physical & Mental Health
- Subjective Wellbeing
- Individual Development
- Social & Community Development

and is a key measure of how charitable and leisure operators contribute back to their local areas.

"We are delighted to demonstrate how leisure in Sandwell is contributing back to the borough. Social Value is a key measure to help understand how participation in physical activity is improving health, improving educational attainment and reducing crime."

Mark Wildman, SLT Leadership Team, Business & Commercial Manager, Operations

Sandwell's Vision 2030

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.

MEMBERSHIPS

From April 2022 to April 2023 the membership increased by 5.65%

Various membership promotions were delivered throughout the year to increase membership sales.

Off peak badminton was added to the ONE membership, Monday to Friday before 5pm and this has been well received by customers.

The Family ONE membership introduced an incentive for Sandwell residents, who are offered a discounted option (£65 for Sandwell residents, £70 for non-Sandwell).

SLT worked with Public Health to offer Pulse Wednesbury members an incentive to join Wednesbury Leisure Centre. We matched their membership, with Public Health meeting the difference. A total of 61 people took advantage of the offer.

Two new membership options were introduced: Gym ONE and Swim ONE.

The Gym ONE allows access to one SLT centre for £21 per month, and the Swim ONE allows access to all SLT pools for unlimited public swimming, also £21. These memberships have been well received with the Gym ONE making up 10% of the overall membership (as of 03/04/23).

Prominent Tenders have been commissioned to launch Sandwell Aquatics Centre membership and swim school marketing campaigns in 23.

TA6 have also been commissioned to support with the driving of membership and swim school in 2022/23, with the first campaign planned for summer 2023.

SOCIAL MEDIA AND WEBSITE

Social media trends continue for our customers.

SLT's social media channels continue to be a valuable tool for the business supporting customer retention, membership sales, programmes, and participation at centre sessions. Facebook reach was over 4.5 million when combining all centres pages together. Engagement rates have declined since COVID as users tend to just use social media for updates, offer feedback or to ask questions.

Customers do use the SLT platforms (Facebook/Twitter/Instagram) and the website as an essential tool for service information. Local news stories and photographs were produced featuring the wide demographics of Sandwell. TikTok will be launched at Sandwell Aquatics Centre to help reach new younger audiences.

2023/24 will see us expand and invest more in pay-per-click advertising to ensure that promotional campaigns reach more local people. The marketing team are working with new partners which will bring added imaginative and creative content to increase the organic and paid reach of posts.

The SLT website was used by 219,000 unique users during the year. Whilst this is lower than the previous year, it is because the cookie acceptance policy was added, and users now have to accept this but many decline. The average time spent on the site is 2 minutes and 4 seconds confirming website users are browsing and using the content. This year saw the addition of Roller Disco bookings at Tipton Sports Academy being added to the shop to increase customer satisfaction at this well attended weekly session.

This excludes the independent websites of Air Mayhem and Aqua Mayhem. These two websites handle the marketing and ticket sales for both of their products.

We continue to implement & make use of our \$10,000 per month Google Charity Adgrants to support the marketing of activities and centres across the Sandwell. These campaigns are reviewed at regular periods and the grant is re-assigned to the needs of the business.

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Air Mayhem

22-23 Saw the return of Air Mayhem (Sandwell's first indoor Inflatable Park) to Tipton Sports Academy. The inflatable operated through the school holidays of Summer, October and Christmas with a total of 8,168 visitors attending.

With the build up to the reopening we had a high request for our SEN sessions and so increased the programme of SEN time slots which saw a 90% uptake on our SEN sessions. This year we partnered with schools of Sandwell to offer all Sandwell children a discounted rate to enjoy the inflatable.

Sandwell's Vision 2030

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.

Aqua Mayhem

- 960 participants attended parties.
- Income from Aqua Mayhem Parties has been £6,105.
- Sessions have attracted over 5,497 customers since opening in 2021 and our SEN sessions continue to be popular with customers.
- A relaunch has been planned for summer 2023 with a new Aqua Run

Portway Lifestyle Centre

As a result of customer feedback, the centre had a new opening time of 6.30am Monday to Fridays.

New inclusive equipment in the gym has been introduced that specifically supports wheelchair customers.

Roller-skating sessions have become increasingly popular with 150 youngsters attending the session every week. We have had to introduce new family skate sessions once a week on a Saturday afternoon to meet demand.

Portway has supported Oldbury United in hosting the football camps during the Summer, October and February half term holidays.

The centre's inclusive classes are continuing to grow significantly, with over 600 attendances for the Inclusive circuit class, and 1,440 in total attending the weekly chair yoga session.

The Chair Yoga class when it was initially introduced in January 22, had two or three customers attending in the first few weeks, and the average numbers per class now is between 35 to 45, individuals all with mobility difficulties.

Multiple SEN multi-sport events have been hosted at Portway, with Sandwell Parents for Disabled Children a regular user of the hydrotherapy pool.

Portway hosted a SEN Mini Commonwealth Games with 100 primary school children taking part in a Commonwealth Games themed session. The event organised by Wood Green Academy, included Cricket, Football, Tri Golf, Seated Volleyball, Wheelchair Basketball and Boccia.

In partnership with SMBC Adult services and SVI, Portway Lifestyle Centre has delivered free Archery sessions for visually impaired Service Users which were very well attended and enjoyed by participants. After starting with sessions at Portway, one of the individuals, Trish Gracesmith (who is totally blind) continued in the sport, joined a club and become an incredible athlete who has been selected to represent GB at the upcoming Disability Games in Birmingham this August.

We have worked in close partnership with the Albion Foundation since the centre opened and have become a key site for all 3 of their departments (Wellbeing, Behaviour Change and Active Lifestyles). The Wellbeing Department which incorporates all of the Foundation's Disability work have been particularly aligned with Portway Lifestyle Centre with more than 50 teams playing in a PAN disability

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football league at Portway. This year the event was hosted by men's mental health football, inclusive walking football, and stroke group sessions.

Customer Testimonial – March 23

"I felt compelled to message you regarding the Portway Centre, and our experience there. My Husband is disabled, not only physically, but mentally too- with early onset dementia, and foot drop, ankylosing spondylitis, and many more co-morbidities.

Services have been difficult to access, what with cutbacks, and the Pandemic....my poor Chris has had no exercise in over 2 years. His previous class is now available via a Zoom meeting, totally inappropriate for a man who needs pool access. Our GP advised him to attend Droitwich Spa, and that Centre was all that was available!! I have since taken our GP Portway Centre details.

Several weeks on- and 3x a week relax/hydrotherapy session, my brave Husband has come on leaps and bounds- I get some sleep too.... he is much more alert, active, eager, and ready to attend his sessions from 5pm in the evening....(class is 9pm....bless) he is happy, and smiles again, feeling part of society. The Staff, wow, are incredible- they work so hard, always safety first, then cleaning- constantly up/down cleaning the floors, cleaning the cubicles, even sweeping up from reception to each department, and supporting the clients, many have disability's- in whatever guise- mobility, mentally, post operative...

I have shown loads of clients around and share the support that will be offered. Young/old, frail, vulnerable, but the service is so so needed. I have seen first-hand what is offered, what your staff do-

Chris personally wanted to say thank you to the Staff, for keeping Portway operational....and if you need anything- he wants to help..."

- District Nurse, PGDip- Specialist Practitioner, Bsc (Hons), Nurse Prescriber(NP)

Tennis

Indoor Tennis Programme at Tipton Sports Academy

Since getting all 6 indoor courts up and running, following NHS use as a vaccination centre, we have seen a fantastic rise in the number of people signing up to take part in tennis.

Whether its group coaching, pay and play or one-to-one coaching we have something for all ages and ability levels to get involved in!

We see 350 children and 50 adults taking part in coaching sessions each week, along with another 200 people taking part in pay and play weekly court bookings.

We saw a significant increase in annual income, and this will grow further with more indoor tennis courts back in use.

We also introduced a new racquet stringing service, that has been well received and supports tennis, badminton, and squash players in the local area.

Our Highlights

Our 18 and under performance players taking part in the 'Play Your Way to Wimbledon' events, with Casey Unitt and Joshua Coghlan reaching the National doubles final at Wimbledon.

We also formed a new mini tennis orange/green futures (performance) session for those players aged 10 and under who have excelled in their tennis squads.

Once again, our tennis coaches visited the local schools to give young children a taste of fun tennis sessions, with vouchers/scholarships being handed out for all children to play more tennis back at the indoor centre.

We now look forward to growing the tennis programme further and re-introducing our successful tournaments/events programme.

HAF (Holiday Activities & Food) camps and community outreach/school sports

We deliver Curriculum based PE in one local Sandwell Primary School on various days throughout the week. As well as event bookings here at Tipton Sports Academy (TSA) for various schools and 'School Games' sports such as cricket, tennis, athletics and multi-sport. We also had over 25 sports days attended at TSA, with a mixture of Commonwealth Games themes with visits from Perry the Bull to cheer them on. These bookings have provided sport for children from Sandwell and across the Black Country region. These have been highly successful and feedback from schools and pupils has been excellent.

Our coaches also provide regular weekly sessions for home school groups helping support their PE requirements and focusing on health and well-being. These groups use our facilities here at TSA. During this delivery we reach around 50 children per week of a wide age range (Key stage 1 - Key stage 4).

The HAF programme is a government funded initiative in conjunction with the DfE, in which local authorities ask operators to deliver holiday activities and food to eligible benefit related low-income families. The project running here at TSA contributes to ambition 1 and 2 of Sandwell 2030 Vision. It ran in Easter, Summer and Christmas with 32 children per day signed up for a 4-hour, 4 day a week session. The feedback from the local authority was really positive, along with the feedback from parents of children that attended. Tipton Sports Academy also delivered a 'FREE' holiday camp for children who live in Sandwell during October half-term, which was funded by Tesco Community Grants. It was a great success with 53 children attending the camp throughout the week and all of them had a fabulous time!

Sandwell's Vision 2030

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.

Couch To 5K & Ladies That Lift

As personal confidence regained after COVID, the successful Couch To 5K & Move a Mile jogging programmes returned to Tipton Sports Academy with 200 people taking that first step towards a new healthy lifestyle. These programmes continue to attract local residents who have not ever attended a leisure centre previously.

Centre Manager Simon Bryan added *"These programmes never fail to inspire our team, many participants break a number of barriers to just attend the nine-week programme. It's wonderful that the participants recognise our amazing coaching team who are out on the track delivering the sessions in all weathers."*

The beginners "Ladies That Lift" programme at Portway Lifestyle Centre was introduced to support ONE Card member retention. The six-week programme delivered an introduction to lifting weights and gave confidence to all participants.

ONE Card members who attended the course offered us this feedback:

"I absolutely loved the sessions, I think they were really helpful in making me feel more comfortable in the gym."

Having a small group was perfect as it really gave us the time with the instructor to make sure we were using the equipment in the safest and most effective way. Thank you, Liz, you were ace."

– Rebecca

"The course gave me confidence to go into the gym and to use the free weights and a range of exercises I can pull from to make a program when I go. Prior to this I only did classes. I have felt the benefit of adding weight training quite quickly. I feel stronger and more toned and adding this in has pushed me as I had plateaued in my strength and ability."

Liz really sought to understand what each wanted to get out of the program and delivered it. The videos each week were really helpful when trying out what I had learned in the week and for getting my form right. I am going to book a one to one once I have spent more time on weight training to make sure I continue to progress."

Thanks for making the gym more accessible to women!"

– Hannah

"I thought the course was well organized, clear and easy to follow and the instructor was very knowledgeable with excellent presentation skills."

The instructor did a great job in covering the basic course material. They were very attentive and encouraged engagement from all students. It's easy to sum up—Excellent!"

I will be taking advantage of my 'one to one' sessions as a One Card member, to improve my confidence in the gym and the correct use of equipment. Big thank you from me."

– Angela

Work it Out Programme and Community Support

The Work it Out Programme continued through 2022-23.

At the end of March 2023 there were a total of 60 young people with a pass and from April 2022 to March 2023 a total of 142 visits were made.

Quote from Sergeant David Rogers | Youth Offender Manager:

"The Work it Out programme provided by Sandwell Leisure Trust has been a key tool for Sandwell Police in preventing youth violence.

Police have referred 92 Youths who are at risk of carrying knives, involved in youth violence, and linked to County Lines. This has resulted in a reduction in crime and offending, given the youths a focus, deterred them from hanging around with negative peers and assisted in their mental and physical wellbeing.

The Partnership working within Sandwell has been highlighted across Policing areas within the West Midlands as excellent practice."

Swimming in Sandwell

From September 2022 School Swimming uptake has resumed and is increasing

From September 2022 our School Swimming Programme delivers the Swim England School Swimming and Water Safety Charter scheme.

Sandwell Leisure Trust has 93 schools booked for the next academic year 22/23. 11 Schools have not returned because of increase in costs and COVID still being around.

Total number of school pupils attending lessons: **14,610**

Number of people on the SLT Swimming Lessons programme

- APRIL 2021: **5,144**
- APRIL 2023: **5,336**

The recovery of SLT Swimming Lessons has been strong, but difficult to grow further due to a national shortage of qualified swimming teachers.

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 18 and under to access quality safe swimming locally in Sandwell.

In 2022-23 there were **74,576** free swims delivered to those aged 18 and under or over 60.

OUR STAFF

- We currently employ 456 staff (as of 31/3/23)
- 52.63% are Sandwell residents (240 staff)
- We had 26 leavers
- 6.3% 2022/23 turnover

The Trust has invested £28,500 in staff learning and development

This year has seen everyone, from the Board to front line staff, strive to try and ensure that the organisation is as strong, if not stronger than it was prior to the COVID-19 pandemic. Despite the cost-of-living challenges that all households and businesses continue to face, SLT has continued to invest in its workforce to support the CPD and continuous improvement and growth in the services provided. Investment in learning and development for the workforce has increased to £28,500. This has included CPD for staff on general health and safety, pool health and safety as well as multi-skilling staff to enable the Trust to expand its swimming programme across its portfolio.

We are proud to continue to offer all our staff access to a Health and Wellbeing Service provided by Westfield Health.

This service includes:

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

And, together with our team of Mental Health First Aiders, we aim to continue to drive forward positive conversation around mental health across the organisation.

Partnership Working

We have continued to work in close partnership with Sandwell MBC on many initiatives to benefit the residents of the borough including a tripartite partnership between the Trust, Sandwell MBC and Swim England to develop a Recruitment Academy for Swimming Teachers, to try and address the workforce shortage to enable more opportunities to the public to learn to swim across the borough.

Investors in People

“My Strategic Review for Investors in People, completed in January 2023, demonstrated that Sandwell Leisure Trust continues to uphold the underpinning principles of the ‘We Invest in People’ Standard and remains fully committed to leading, managing and developing its people.

The Trust clearly continues to face high levels of uncertainty as discussions continue with regard to the future structure of the business. However, the Trust is negotiating the challenges it faces very professionally and very proactively. For example, detailed monthly updates have been used to ensure all staff are kept well informed about what is happening.

Throughout this period of uncertainty, the Trust has been proactively helping to reassure all staff that whatever the final decisions made about the future operation of leisure services in the Borough, their terms and conditions of employment are fully protected.

In this respect, the Trust has been exemplary in its approach to ensuring open, honest and transparent communications with all of its staff, managers and stakeholders. There is no doubt that this has sought to alleviate peoples' concerns about the change process and satisfy them that their roles are in no way at risk.

Given this business context, the staff within the Trust continue to do what they have always done; provide excellent service quality and customer experience as demonstrated by the testimonials which are received by the Trust from its customers. This has been recently complemented by a RoSPA Order of Distinction for Health and Safety, which further demonstrates the levels of commitment and

dedication invested by the Trust places in ensuring it provides safe places of work and premises for its staff and customers.

As I have experienced over a number of years now, the Trust is genuinely committed to investing in its people and unlike many organisations, never falters on its commitment, even when faced with unprecedented challenges and uncertainty about the future. My congratulations to everyone who makes the Trust the success it is today."

Gordon Stopani
IIP Practitioner

Our customers

Meet The Member - Kim

Our team were very privileged to meet the wonderful Kim Underwood on a visit to Tipton Leisure Centre. Kim has been a ONE Card member for over eight years, and we were keen to find out more about her fantastic weight loss and enthusiasm for life.

Tell us about your fitness journey?

I've always been conscious about having a healthy lifestyle after losing my Dad to a heart attack when I was just sixteen.

The prompt for me to get fit was attending the centre and watching my son have his swimming lessons. I really wanted to lead a fitter and healthier lifestyle for him. My weight had reached 24 ½ stone, so it was time for me to take action.

I started by attending gym sessions, and this expanded into classes through the encouragement of Karen, a long-standing member of the team at Tipton Leisure Centre.

Chris and John have been wonderful with their ongoing support, ensuring I keep pushing myself and to stay motivated.

Is there any reason you use Tipton and Wednesbury Leisure Centre?

My own mental health struggled after a long-term marriage breakdown, but the SLT team at both centres offered me amazing support and encouragement. The regular gym sessions with a wide range of classes, delivered by amazing instructors, proved to be life changing for me. Everyone is so friendly.

How does SLT meet your needs?

What more can you want? Great gym equipment, a huge selection of uplifting fitness classes and wonderful staff throughout. The team also offered support to overcome a nasty calf injury I suffered.

How did you get advice about diet?

Slimming World were excellent in their advice on diet and nutrition. The healthy eating plan combined with my SLT workouts helped me loose half my bodyweight. I now weigh under 12 stone!

What motivates you to keep going?

Don't get me wrong, some days I wake up feeling lousy, but once I swipe into my class or gym session at reception, I'm ready for action. I know the feeling I have when I've finished will be amazing and give me a lift for the rest of the day. The satisfaction of "I've done it!" is something I love.

Can you offer and advice for anyone thinking of starting a healthier lifestyle?

It's too easy to do nothing, sign up today and it will make a difference to your mental and physical health.

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Don't be embarrassed, it really doesn't matter about your size or strength, SLT can help you achieve your personal goals whatever they may be. I'm so grateful for the new levels I've reached here at Tipton Leisure Centre.

I'm always encouraging friends to come along and join. Make 2023 about you!

Do you follow SLT on social media?

Yes, I follow SLT on Facebook and Instagram. I cannot wait to see some photos taken today to support this interview.

Meet The Member – Lucy

Our team had a fantastic opportunity to meet Lucy Harper on a recent visit to Haden Hill Leisure Centre. Lucy shared with us her insightful fitness journey.

Can you confirm your full name, occupation, and the town you live in?

Lucy Harper, I work in a restaurant, and I live in Netherton.

Tell us about your fitness journey?

I have been a member for just over a year. I lost quite a bit of weight and felt like I need that class environment to help me. My friend went all the time and I decided to go to my first indoor cycling class with Andrea and I haven't looked back ever since.

However, I then suffered from a knee injury, so I had to stop attending classes. The hospital informed me that I needed keyhole surgery, so I started swimming. Swimming was a great way that I could have a full body workout, but also giving my knee time to heal.

It was disappointing not to be able to go to Sprint in this period however sometimes I just sat and peddled so I could hear the music and feel a part of that class.

Is there any reason you use Haden Hill Leisure Centre?

It was recommended by my friend. I have built close friendships up with instructors and members so I wouldn't go anywhere else.

Instructors are always supportive with my workouts, and they try to adapt with me if I'm in a 1-2-1.

The biggest thing for me is my mental well-being, there is always someone to talk to whether it is Andrea or Clive, they are always willing to listen.

I don't see Heather very often, but every time I need advice she is brilliant and is always willing to help.

What are your favourite sessions and why?

I love Sprint and I perform well in the session. I have started attending again and I know what I can do without hurting my knee. I used to love Grit but my knee needs a longer period of recovery before I return. That class has an amazing buzz.

How did you get advice about diet?

Diet wise I know myself, but it's hard to keep motivated. I talk to Andrea about diet a lot, she helps with healthy diets, carb intake and things like that.

What motivates you to keep going?

Motivating myself is hard but I keep going because I know when I walk into Haden Hill it's like a family who supports you all the time.

What do you think about Myzone, does it make a difference?

Myzone is hard, as I can no longer do what I used to. I think you get fixated on red chasing and it's not always about that... I know now that if it's blue or grey I've worked out. It's all about getting into the mindset, which I now realise myself.

Can you offer any advice for anyone thinking of starting a healthier lifestyle?

I think the first issue is stepping through the doors. Being bigger it's hard as you are not a typical gym size, but honestly, I've never been as fit as I am now, being bigger doesn't stop me.

The most important thing is the support from the team and the other members, they are all fantastic.

Do you follow SLT on social media, what do you see as the benefits?

I do follow SLT on social media, as I like to see updates on new classes including Les Mills. I also enjoy seeing what other SLT centres are doing.

Our Awards

SLT maintains safe services in Sandwell

Sandwell Leisure Trust (SLT) is proud to have once again been awarded the highest possible accolades in the internationally renowned Royal Society for the Prevention of Accidents (RoSPA) 2023 Health and Safety Awards.

Lynda Bateman, Former Chair of The Trust's Board, says:

"SLT was the first Leisure Trust to achieve the RoSPA Gold Award – and also the President's Award (10 successive Golds) – then to retain the award over 17 consecutive years and be the first Leisure Trust awarded the Order of Distinction (15 consecutive Gold Awards). In addition to all this, SLT also received the Leisure Safety Gold Award, which recognises excellence in health and safety management among companies that primarily offer services direct to guests and visitors. This really does demonstrate the consistent high standards achieved by our staff at the facilities managed by the Trust.

We sincerely thank and congratulate all our teams that continue to work extra hard to monitor and maintain such a safe standard of services for all our customers, staff and visitors that work in and enjoy using the sport, leisure, health, fitness and swimming pool facilities throughout Sandwell managed by Sandwell Leisure Trust."

The RoSPA Awards not only focus on commitment to accident and ill-health prevention, but occupational health and safety management systems, including practices like leadership and workforce involvement. It received over 2,000 entries from organisations around the world this year, reaching over seven million employees, and is also the longest-running industry awards scheme in the UK - recognising the best of the best and organisations that have gone the extra mile, raising the bar for the delivery of safety in the workplace.

“The RoSPA Award is the most highly-respected and industry accredited health and safety award globally, so we’re extremely proud to maintain and be recognised at the highest level in health and safety practice, leading the way in leisure health and safety recognition.”

Lynda Bateman, Former Chair of The Board

Sandwell’s Vision 2030

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 Centres

- Haden Hill Leisure Centre Barrs Road, Cradley Heath, B64 7HA
- Hadley Stadium Leisure Centre Wilson Road, Smethwick, B66 4NL
- Harry Mitchell Leisure Centre Broomfield, Smethwick, B67 7DH
- Langley Swimming Centre Vicarage Road, Langley, Oldbury, B68 8HS (Closed July 14 2023)
- Portway Lifestyle Centre Newbury Lane, Oldbury, B69 1HE
- Smethwick Swimming Centre Thimblemill Road, Smethwick, B67 5QT (Closed July 14 2023)
- Tipton Leisure Centre Alexandra Road, Tipton, DY4 8TA
- Tipton Sports Academy Wednesbury Oak Road, Tipton, DY4 0BS
- Wednesbury Leisure Centre High Bullen, Wednesbury, WS10 7HP
- Sandwell Aquatics Centre, Londonderry Lane, Smethwick, B67 7EW (Opened July 24 2023)

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; and
- (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 Council took the decision to terminate the contract with SLT at its Cabinet 8 February 2022 because the Business Plan 2021-2024 could not be agreed. Following that decision, the Board at its meeting 23 March 2022 approved to re-designate reserves totalling £1,929,000 and not spend on the SMBC contract but instead for funds to be made available for the future of SLT which the Trustees decided on 30 October 22 that it would be a Grant Making Charity once the contract with SMBC came to an end, however on 6 March 2023 the Board approved in principle to an extension to the SMBC contract to 31 March 2027.

As at 31 March 2023, the charity had uncommitted reserves (being net current assets, less restricted and designated funds) of £430,023 (2022: £1,666,053).

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 Midlands' 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 previously facing the charity was the maintenance of adequate funding for the charity's pension liabilities. The financial statements report the share of the Local Government Pension Scheme asset (£5,543k) on the Charity's balance sheet in line with the requirements of FRS 102. There is limited risk due to the current asset position of the scheme, but should this return to a liability, the risk is considered mitigated by the 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 24.

Income increased in 2022 due to growing memberships, and swimming lessons (despite the national shortage of swimming teachers).

SANDWELL LEISURE TRUST

TRUSTEES' REPORT

for the year to 31 March 2023

Expenditure increase was primarily due to employees who were removed from the National Joint Council (NJC) and contracted back in May 2022, which resulted in increased pay to align salaries with that of the NJC.

The Statement of Financial Activities shows net expenditure for the charity of £2,187,440 (2022: net expenditure of £2,042,707) before actuarial adjustments required to account for participation in the local government pension scheme. The net result after these adjustments was a net increase in funds of £20,286,560 (2022: net increase in funds of £4,195,293). At 31 March 2023, the charity had net assets of £8,595,206 (2022: net liabilities of £11,791,354) of which £21,077 were restricted funds, £3,031,129 were held as unrestricted charitable funds, and a surplus of £5,543,000 represented the charity's share of the asset 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 assets of £8,595,206 (2022: net liabilities £11,791,354) due to the significant defined benefit pension scheme asset of £5,543,000 (2022: Pension deficit of £15,167,000).

Following the decision that the Council took on the 8 February 2022 to terminate the contract with Sandwell Leisure Trust on 2 May 2023, the Board agreed in principle 6 March 2023 for the contract to be extended to 31 March 2027. The Supplementary Agreement to the Management & Funding Agreement between Sandwell MBC and Sandwell Leisure Trust to effect was agreed on 14 July 2023.

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.

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.

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2023

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

Penny Venables

P VENABLES
Chair

Date: 18/12/23

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for 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 2023 which comprise the Statement of Financial Activities (Including income and expenditure account), 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 2023 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL LEISURE TRUST

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 has been prepared in accordance with applicable legal requirements.

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 21, 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 frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- 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 and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

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 inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and completeness of cash takings income as the areas 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, challenging judgments and estimates and performing substantive testing over the completeness of cash takings income.

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
10th Floor
103 Colmore Row
Birmingham
B3 3AG

Date: 18/12/23

SANDWELL LEISURE TRUST
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT)
For the year ended 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
Charitable activities	2	10,057,050	20,293	10,077,343	9,323,648
Other trading activities		407,339	-	407,339	288,942
Investments		54,699	-	54,699	486
Total income		10,519,088	20,293	10,539,381	9,613,076
Expenditure on:					
Raising funds	3	131,990	-	131,990	85,564
Charitable activities	3	12,562,750	32,081	12,594,831	11,570,219
Total expenditure		12,694,740	32,081	12,726,821	11,655,783
Net incoming resources before other recognised gains					
	1	(2,175,652)	(11,788)	(2,187,440)	(2,042,707)
Other recognised gains and losses					
Actuarial gain on defined benefit pension scheme	16	22,574,000	-	22,574,000	6,238,000
Net movement in funds		20,398,348	(11,788)	20,386,560	4,195,293
Funds at 1 April 2022		(11,824,219)	32,865	(11,791,354)	(15,986,647)
Funds at 31 March 2023		8,574,129	21,077	8,595,206	(11,791,354)

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.

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	5	671,487	848,176
Current assets			
Stocks	6	18,526	18,646
Debtors	7	341,367	367,154
Cash at bank and in hand		3,599,861	3,751,380
		3,959,754	4,137,180
Creditors: amounts falling due within one year	8	(1,579,035)	(1,609,710)
Net current assets		2,380,719	2,527,470
Net assets excluding pension scheme asset/(liability)		3,052,206	3,375,646
Defined benefit pension scheme asset/(liability)	16	5,543,000	(15,167,000)
Net assets/(liabilities) including pension scheme asset/(liability)		8,595,206	(11,791,354)
Represented by:			
Restricted funds	10	21,077	32,865
Unrestricted funds:			
General funds	11	1,101,510	2,514,229
Designated funds	12	1,929,619	828,552
		3,031,129	3,342,781
Pension fund		5,543,000	(15,167,000)
Total unrestricted funds		8,574,129	(11,824,219)
Total asset/(deficit)		8,595,206	(11,791,354)

The financial statements on pages 25 - 42 were approved by the board of trustees and authorised for issue on 18/12/23 and are signed on its behalf by:

Penny Venables

P VENABLES
Chair

SANDWELL LEISURE TRUST
STATEMENT OF CASH FLOWS
For the year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities:		
Net cash (used in)/provided by operating activities	(197,274)	146,930
Cash flows from investing activities:		
Interest	54,699	486
Purchase of tangible fixed assets	(8,944)	(104,726)
Net cash generated/(used in) investing activities	45,755	(104,240)
(Decrease)/increase in cash and cash equivalents in the year	(151,519)	42,690
Cash and cash equivalents at the beginning of the year	3,751,380	3,708,690
Total cash and cash equivalents at the end of the year	3,599,861	3,751,380

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

	2023 £	2022 £
Net (expenditure) as per the SOFA	(2,187,441)	(2,042,707)
Depreciation	191,048	223,855
(Profit)/loss on disposal of fixed assets	(5,415)	-
Interest	(54,699)	(486)
Decrease in stocks	121	1,626
Decrease/(increase) in debtors	25,787	83,161
(Decrease)/increase in creditors	(30,675)	(158,520)
Defined benefit pension scheme	1,864,000	2,040,000
Net cash provided by/(used in) operating activities	(197,274)	146,930

ANALYSIS OF CHANGES IN NET FUNDS

	2022 £	Cash flow £	2023 £
Cash in hand and at bank	3,751,380	(151,519)	3,599,861
Net funds	3,751,380	(151,519)	3,599,861

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 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 assets of £8,595,206 (2022: net liabilities £11,791,354) due to the significant defined benefit pension scheme asset of £5,543,000 (2022: pension deficit of £15,167,000).

Following the decision that the Council took on the 8 February 2022 to terminate the contract with Sandwell Leisure Trust on 2 May 2023, the Board agreed in principle 6 March 2023 for the contract to be extended to 31 March 2027. The Supplementary Agreement to the Management & Funding Agreement between Sandwell MBC and Sandwell Leisure Trust to effect was agreed on 14 July 2023.

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 asset.
- 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.

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 asset 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 asset.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

1	NET EXPENDITURE	2023 £	2022 £
	Net expenditure is stated after charging:		
	Depreciation of tangible fixed assets:		
	Owned assets	(504,259)	223,855
	Add back disposal on fixed assets	695,306	-
	(Profit) / loss on sale of equipment	44,289	-
	Operating lease rentals		
	- plant and machinery	42,720	42,720
	Auditor's remuneration		
	- as auditor	35,250	15,920
	- other services – VAT advice	6,000	4,700
	Internal audit	19,500	17,100
	Amount of stock recognised as an expense	117,357	81,973

2 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Income from operation of sports facilities	7,067,482	20,293	7,087,775	5,945,449
Grants (management fees)	2,989,568	-	2,989,568	2,517,515
CJRS income and Covid grants	-	-	-	860,684
	10,057,050	20,293	10,077,343	9,323,648

3 ANALYSIS OF TOTAL EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Other trading activities				
Cost of goods sold	117,357	-	117,357	81,973
Other	14,633	-	14,633	3,591
	131,990	-	131,990	85,564
Charitable activities				
Staff costs	8,491,977	-	8,491,977	7,530,392
Other employee costs	294,221	-	294,221	185,535
Premises	1,559,260	-	1,559,260	1,563,996
Transport	127	-	127	41
Professional fees	31,060	-	31,060	19,800
Depreciation	191,048	-	191,048	223,855
Other	1,872,020	32,081	1,904,101	1,999,301
Governance costs	123,037	-	123,037	47,299
	12,562,750	32,081	12,594,831	11,570,219

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

3 ANALYSIS OF TOTAL EXPENDITURE (CONTINUED)

Governance costs	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Legal costs – External audit	35,250	-	35,250	15,920
Legal costs – Internal audit	19,500		19,500	17,100
Trustee indemnity insurance	-	-	-	-
Staff costs relating to preparation and attendance at trustee meetings	14,863	-	14,863	14,279
Total	123,037	-	123,037	47,299

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 (2022: £nil). No expenses were reimbursed to trustees (2022: £nil). Trustee indemnity insurance of £nil (2022: £nil) was purchased during the year.

	2023	2022
	£	£
Staff costs		
Wages and salaries	5,673,167	4,906,316
Social security costs	431,664	370,081
Pension costs	2,402,010	2,268,274
	8,506,841	7,544,671
	2023	2022
	Number	Number
Average number of persons employed, including executive directors (FTE)	169	167
Average number of persons employed, including executive directors (head count)	412	371

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 2023

4 TRUSTEES AND EMPLOYEES (CONTINUED)

Three (2022: nil) employees earned between £60,000 and £70,000 during the period. No employees earned between £80,000 and £90,000 (2022: one) during the period. One employee earned between £110,000 and £120,000 (2022: nil) during the period.

Pension contributions in respect of higher paid staff amounted to £317,824 (2022: £14,376). 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 £669,567 (2022: £273,680).

Redundancy and termination payments paid during the period amounted to £90,335 (2022: £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 £19,472 (2022: £18,155). 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 2022	467,826	2,205,833	207,381	1,361,484	880,225	5,122,748
Additions	-	-	9,239	5,120	-	14,359
Disposals	-	(391,168)	(25,499)	(267,111)	(11,528)	(695,306)
31 March 2023	467,826	1,814,664	191,121	1,099,492	868,696	4,441,801
Depreciation						
At 1 April 2022	-	2,003,288	167,052	1,241,628	862,603	4,274,572
Charge for year	-	48,994	13,888	61,252	17,210	141,344
Disposals	-	(341,464)	(25,499)	(267,111)	(11,528)	(645,602)
31 March 2023	-	1,710,819	155,441	1,035,769	868,284	3,770,313
Net book amount						
31 March 2023	467,826	103,846	35,680	63,723	412	671,487
31 March 2022	467,826	202,544	40,329	119,855	17,622	848,176

6 STOCKS

	2023 £	2022 £
Goods for resale	18,526	18,646

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

7 DEBTORS

	2023 £	2022 £
Trade debtors	240,448	354,673
Other debtors	9,726	7,591
Prepayments	91,193	4,890
	<u>341,367</u>	<u>367,154</u>

Included within other debtors above are amounts due after more than one year of £7,971 (2022: £3,338) in respect of car loans to staff who qualify under their Terms and Conditions of Service.

8 CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	127,954	113,689
Other taxation and social security	191,798	186,709
Other creditors	92,903	82,854
Accruals and deferred income	1,166,380	1,226,458
	<u>1,579,035</u>	<u>1,609,710</u>

9 DEFERRED INCOME

	£
Balance as at 1 April 2022	56,249
Amount released to income	(56,249)
Amount deferred in the year	32,763
	<u>32,763</u>
Balance as at 31 March 2023	<u>32,763</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 2023

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 2022 £	Income £	Expenditure £	Transfers £
Physical Activity Board	18,017	20,293	(32,081)	-
Street Games	12,418	-	-	-
Active Citizens	2,430	-	-	-
Total	32,865	20,293	(32,081)	-

Prior Year	Movement in Funds			
	Balance 1 April 2021 £	Income £	Expenditure £	Transfers £
Physical Activity Board	18,017	-	-	-
StreetGames	12,418	-	-	-
Active Citizens	2,430	-	-	-
Total	32,865	-	-	-

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 2023

11 UNRESTRICTED GENERAL FUNDS

	2023 £	2022 £
1 April 2022	2,514,229	1,399,515
Net (expenditure)/income	(311,652)	(2,707)
Transfer (to)/from designated fund	(1,101,067)	1,117,421
	<hr/>	<hr/>
31 March 2023	1,101,510	2,514,229
	<hr/>	<hr/>

General Funds include an amount for the Ryland Repair Fund.

12 DESIGNATED FUNDS

	2023 £	2022 £
1 April 2022	828,552	1,945,973
Transfer from/(to) unrestricted general funds	1,101,067	(1,117,421)
	<hr/>	<hr/>
31 March 2023	1,929,619	828,552
	<hr/>	<hr/>

At its 23rd March 2022 Board meeting, Members approved to redesignate reserves totalling £1,929k and not spend these funds on the SMBC contract, but instead for the reserves to be made available for the future of SLT which is to be decided at a future Board meeting. Designated now comprises of:-

Ryland Repair Fund

In 2021-22 Trustees decreased the designated to £129,619 for the Ryland Repair Fund to deal with all major lifecycle maintenance issues, including the replacement of the athletics track

Grant Making Fund

The board approved the designation of £1,800,000 for grant making purposes, which have been confirmed to be consistent with the objects of the charity.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

13 ANALYSIS OF NET ASSETS/(LIABILITIES) BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Tangible fixed assets	671,487	-	671,487	848,176
Stocks	18,526	-	18,526	18,646
Debtors	341,367	-	341,367	367,154
Cash at bank and in hand	3,578,784	21,077	3,599,861	3,751,380
Creditors due within one year	(1,579,035)	-	(1,579,035)	(1,609,710)
Defined benefit pension scheme asset/(liability)	5,543,000	-	5,543,000	(15,167,000)
Net assets/(liabilities)	8,574,129	21,077	8,595,206	(11,791,354)

Prior year – 31 March 2022:	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Tangible fixed assets	848,176	-	848,176	967,305
Stocks	18,646	-	18,646	20,273
Debtors	367,154	-	367,154	450,315
Cash at bank and in hand	3,718,515	32,865	3,751,380	3,708,690
Creditors due within one year	(1,609,710)	-	(1,609,710)	(1,768,230)
Defined benefit pension scheme liability	(15,167,000)	-	(15,167,000)	(19,365,000)
Net assets/(liabilities)	(11,824,219)	32,865	(11,791,354)	(15,986,647)

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

14 COMMITMENTS UNDER OPERATING LEASES

	2023 £	2022 £
At 31 March 2023, the Charity had total future commitments under non-cancellable operating leases as follows:		
Plant and machinery:		
Amounts due within one year	46,064	40,025
Amounts due within one to five years	-	360
	<hr/> 46,064	<hr/> 40,385
	<hr/> <hr/>	<hr/> <hr/>

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 £78,755 (2022: £76,051) at the year end, included within other creditors.

The Charity expects to make contributions in the year ended 31 March 2023 of £677,000 (2022: £611,000).

The following information is based upon a full actuarial valuation of the Fund at 31 March 2020 updated to 31 March 2023 by a qualified independent actuary.

	At 31 March 2023	At 31 March 2022
Rate of increase in salaries	3.95%	4.15%
Rate of increase in pensions in payment	2.95%	3.15%
Discount rate	4.75%	2.75%
Inflation assumption	2.95%	3.15%

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 2023	At 31 March 2022
Retiring today:-		
Males	21.8	21.2
Females	23.1	23.6
Retiring in 20 years:-		
Males	21.3	22.9
Females	24.8	25.4

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

16 PENSION COSTS (continued)

The fair value of the assets in the scheme was:

	2023 £000	2022 £000
Equities	22,433	21,368
Bonds	7,258	7,016
Property	2,309	2,232
Cash	990	1,276
	<hr/>	<hr/>
Total fair value of assets	32,990	31,892
	<hr/>	<hr/>

	2023 £000	2022 £000
Trust's estimated asset share	32,990	31,892
Present value of scheme liabilities	(27,447)	(47,059)
	<hr/>	<hr/>
Asset/(deficit) in the scheme	5,543	(15,167)
	<hr/>	<hr/>

ANALYSIS OF THE AMOUNT CHARGED TO STATEMENT OF FINANCIAL ACTIVITIES	2023 £000	2022 £000
Employer contributions	963	630
Current service cost	(2,082)	(2,257)
Past service cost	(309)	-
Net interest cost	(436)	(413)
	<hr/>	<hr/>
	(1,864)	(2,040)
	<hr/>	<hr/>

Analysis of the amount charged to actuarial gains/(losses) on defined benefit pension scheme	2023 £000	2022 £000
Remeasurements (assets)	(1,063)	1,808
Experience gains and losses on liabilities	358	(101)
Change in demographic assumptions	2,359	262
Changes in assumptions	20,920	4,269
	<hr/>	<hr/>
Actuarial gain recognised in SOFA	22,574	6,238
	<hr/>	<hr/>

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

16 PENSION COSTS (continued)

Cumulative actuarial gains recognised in the SOFA totalled £18,911,000 (2021: £3,663,000 loss).

	2023 £000	2022 £000
Movement in deficit during year		
Deficit in scheme at beginning of year	(15,167)	(19,365)
Movement in year:		
Current service cost	(2,082)	(2,257)
Past service cost	(309)	-
Contributions	963	630
Net return on assets	(436)	(413)
Actuarial loss	22,574	6,238
Administrative expenses	-	-
	<hr/>	<hr/>
Asset/(deficit) in scheme at end of year	5,543	(15,167)
	<hr/>	<hr/>
Asset and Liability reconciliation		
	2023 £000	2022 £000
Reconciliation of liabilities:		
Liabilities at start of year	47,059	48,381
Current service cost	2,082	2,257
Interest cost	1,324	1,012
Member contributions	260	242
Actuarial losses/(gains)	(20,920)	(4,269)
Change in demographic assumptions	(2,359)	(262)
Experience loss/(gain) on defined benefit obligation	63	101
Benefits paid / estimated benefits paid net of transfers in	(371)	(403)
Past service cost	-	-
	<hr/>	<hr/>
Closing Defined Benefit Obligation	27,447	47,059
	<hr/>	<hr/>
Reconciliation of assets:		
Assets at start of year	31,892	29,016
Expected return on assets	888	599
Actuarial gains/(losses)	(1,063)	1,808
Administrative expenses	-	-
Employer contributions	963	630
Member contributions	260	242
Benefits paid	(371)	(403)
Other actuarial gains/(losses)	421	-
	<hr/>	<hr/>
Closing fair value of Fund Assets	32,990	31,892
	<hr/>	<hr/>

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 FY 2021/22 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 2023

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 2022 £
Income from:			
Charitable activities	9,323,648	-	9,323,648
Other trading activities	288,942	-	288,942
Investments	486	-	486
	<hr/>	<hr/>	<hr/>
Total income	9,613,076	-	9,613,076
	<hr/>	<hr/>	<hr/>
Expenditure on:			
Raising funds	85,564	-	85,564
Charitable activities	11,570,219	-	11,570,219
	<hr/>	<hr/>	<hr/>
Total expenditure	11,655,783	-	11,655,783
	<hr/>	<hr/>	<hr/>
Net income/(expenditure) for the year	(2,042,707)	-	(2,042,707)
	<hr/>	<hr/>	<hr/>
Other recognised gains and losses			
Actuarial gains on defined benefit pension scheme	6,238,000	-	6,238,000
	<hr/>	<hr/>	<hr/>
Net movement in funds	4,195,293	-	4,195,293
Funds at 1 April 2021	(16,019,512)	32,865	(15,986,647)
	<hr/>	<hr/>	<hr/>
Funds at 31 March 2022	(11,824,219)	32,865	(11,791,354)
	<hr/>	<hr/>	<hr/>