

COMPANY NO. 05207019

CHARITY NO. 1117138



ABBEYCROFT LEISURE

(A Company Limited by Guarantee)

ANNUAL REPORT

FOR

THE YEAR ENDED 31 MARCH 2021

Abbeycroft Leisure
FINANCIAL STATEMENTS
for the year ended 31 March 2021

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Abbeycroft Leisure
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REFERENCE AND ADMINISTRATION DETAILS for the year ended 31 March 2021

Trustees & Directors	Sarah Howard MBE (Chair) David Howells (Vice Chair) Simon Burton Terry Clements (resigned 28 September 2020) Anne Greenfield (resigned 28 May 2021) Marie Mills Timothy Mutum John Turnbull Sir Robert Wales Lois Wreathall (resigned 1 February 2021) David Wright	
Chief Executive	Warren Smyth	
Company Secretary	Lynda Pope FCCA	
Registered Office	Abbeycroft Leisure Haverhill Leisure Centre Ehringshausen Way Haverhill Suffolk CB9 0ER	
Auditors	RSM UK Audit LLP Blenheim House Newmarket Road Bury St Edmunds Suffolk IP33 3SB	
Bankers	National Westminster Bank PLC 7 Cornhill Bury St Edmunds Suffolk IP33 1AX	Lloyds Bank 30 Market Hill Sudbury CO10 2EL
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB	Ashtons Legal Fornham Business Court The Log Barn Fornham St Martin IP31 1SL
Senior Managers		
The Leadership Team consists of the following posts:		
Chief Executive	Warren Smyth	
Strategic Director	Karen Points	
Finance Director	Lynda Pope FCCA	
Operations Director	Tracey Loynds	
Operations Director	Alison Blackwell	

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WELCOME FROM THE CHIEF EXECUTIVE

I would normally end my introduction to the annual report with a thank you to all that are involved in Abbeycroft Leisure, but after what is likely to have been the most challenging year, I thought I would instead start by thanking our staff, trustees and volunteers for everything they have done for the organisation and the wider community over the last 12 months. They have turned their hand to a multitude of tasks through volunteering with the NHS to supporting local people with everyday tasks. In short, they have been amazing and have gone the extra mile to support not only Abbeycroft Leisure but their colleagues and local people.

Clearly the focus of the year has been dealing with the impact of the pandemic and it would be remiss of me to not mention the financial pressures this has brought the organisation, given that the organisation's income generation streams were closed for 7 months of the year. Abbeycroft Leisure has made some very difficult decisions over the last twelve months, resulting in the closure of three facilities as well as reorganising our staffing structure. We have been extremely fortunate to be able to draw upon several resources to support our operation including our own reserves, government grants, and financial support from West Suffolk Council, Babergh District Council and other system partners, for which we are extremely grateful. This has allowed us to position ourselves for reopening and at the time of writing this report our facilities have remained opened. With restrictions previously being in place, this has had an impact on our revenue streams, although there are positive signs of people re-engaging with the services we can provide. We have also been able to develop some other initiatives that further complement our vision to create active healthier communities.

Whilst our facilities were closed our work to support our communities continued. Our Active Communities Team developed a new programme of work utilising our Explore Outdoor initiative to tackle holiday hunger. This initiative saw a number of staff retrained and redeployed into roles that enabled families to be active outside, learn to cook, and receive food boxes. This has been extremely successful and engaged 1,000 families and provided 20,000 individual meals. This programme continues to evolve and will continue into the new year.

Abbeycroft Leisure has also grown and developed its own health and wellbeing team during the pandemic following the development of stronger links with partners in the health system. This has resulted in the creation of new and enhanced services to local people to assist with pulmonary rehabilitation and frailty. In addition, our work to co-locate with partners who hold a mutual interest continues to grow with several interesting opportunities developing, particularly linked with the development of facilities.

There has been a constant theme of facility development in our previous annual reports and this one is no different. The leisure facilities that are managed by Abbeycroft Leisure have seen significant investment by both West Suffolk Council and Babergh District Council. This means we are in the fortunate position that most facilities have been upgraded to create fantastic opportunities. Co-location with other partners has been built into all the developments, and the ability to create these opportunities to work together, as well as create great services for local people, means the organisation is well positioned to recover and flourish into the future.

Whilst this has been a really challenging year, I am still extremely proud of the work we have done and the response to the pandemic. This has only been possible due to the support of our partners and our people and I cannot thank them enough.



Warren Smyth
Chief Executive

Abbecroft Leisure

TRUSTEES' ANNUAL REPORT

for the year ended 31 March 2021

The Trustees are pleased to present their annual report together with the financial statements of Abbecroft Leisure for the year ended 31 March 2021.

Structure, Governance and Management

Governing document

Abbecroft Leisure is a Charitable Company Limited by Guarantee (registered number 05207019) and governed by its Memorandum and Articles of Association dated 16 August 2004. The Charitable Company began trading on 1 April 2005 and therefore these accounts present the results for the sixteenth year of trading. Charitable Status was awarded to the Charitable Company by the Charity Commission on 5 December 2006 (charity number 1117138) and as such the accounts have been prepared in accordance with the Statement of Recommended Practice – Charities (SORP FRS102) and the Companies Act 2006. The objects of the Charitable Company were amended and adopted as the new objects on the 20 October 2016. Currently the only Members of the Charitable Company are the Trustees although the Articles of Association do provide for a wider membership with the approval of the Trustees.

The board completed a governance review during 2019 using the Charity Governance Code for Larger Charities. The review resulted in an action plan that was adopted by the board. A Sub-committee structure is in place to support the broader work of the Trustees and the organisation.

Appointment of Trustees

As set out in the Articles of Association the Board of Trustees must comprise at least three and not more than twelve individuals. Local Authority Persons shall be entitled to apply to be a Trustee in the event of a vacancy on the Board, however they shall not have an automatic right to be appointed as a Trustee. One third of the appointed Trustees must retire at the Annual General Meeting (AGM) but shall be eligible for re-appointment, those longest in office resigning first.

Trustee Induction and Training

There is an informal induction process for new Trustees, each one meeting with the Chairman of the Board prior to attending their first full board meeting. Copies of the Charitable Company's Memorandum and Articles of Association and business plan are made available to the new Trustee. During the first Board meeting the new Trustee will meet key employees and the other Trustees. Trustees are also provided with a copy of the Charity Commission publication CC3 "The Essential Trustee". Further training opportunities are also identified throughout the year and various trustees will attend seminars providing feedback at relevant board meetings.

Organisation

The Board of Trustees administer the Charitable Company. The Board meets at least four times a year for a full Board meeting. Following the development of the new strategic plan and the governance review three new standing sub-committees were established in the areas of Finance & Business Development, Organisational Development and Marketing & Operations. New terms of reference were developed for each committee with the Organisational Development Committee taking on responsibility for Safeguarding. In addition to this the organisation's Health and Safety Committee includes trustee representation. The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charitable Company. To facilitate effective operations, the Chief Executive has delegated authority for operational matters including finance, employment and day to day management of the organisation with support from a senior leadership team including a Finance Director, two Development Directors and a Strategic Director. The Board is responsible for the employment and terms and conditions of the Chief Executive and general pay and remuneration terms of all employees including the senior leadership team. When setting pay, reference is made to salary surveys and industry benchmarks.

The Board's work in this area is supported by the Organisational Development Committee that focuses on:

- terms & conditions
- pensions
- pay and benefits
- advising on the development of an effective staff structure
- employment practices.

Responsibility for recruitment and pay for operational and management staff is delegated to the Chief Executive.

Abbeycroft Leisure

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Disabled Persons

The Charitable Company will employ disabled people when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

Group

The Charitable Company set up Abbeycroft Enterprises Limited on 30 January 2017. This is a private company limited by shares, of which the Charitable Company owns 100%. Abbeycroft Enterprises Limited began operations on the 4 April 2017 and primarily operates the catering and soft play facilities in the Leisure Centres occupied by Abbeycroft Leisure. This trading subsidiary gift aids all taxable profits to Abbeycroft Leisure.

Related Parties

West Suffolk Council and Babergh District Council are significant partners and contribute to the delivery of sporting facilities in West Suffolk and Babergh by providing funding to the Charitable Company in the form of a management fee. This funding also supports the work of the Charitable Company in the community by enabling residents to take part in sporting events outside of the Leisure Centres. Both Councils promote the Charitable Company's activities by advertising the Leisure Centres and activities on their website and within other promotional material. A summary of transactions with these Councils is set out in note 3 to the Financial Statements.

Objectives and Activities

The objects of the Charitable Company are:

- to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of individuals available to the public at large, save for special facilities being provided for those who have need of such by reason of their youth, age, infirmity or disability, poverty, or social circumstances with the object of improving their conditions of life; and/or
- to promote community participation in healthy recreational activities and understanding of the benefits of a healthy active lifestyle, in particular by the provision of facilities for the playing of running, cycling and walking.
- to provide or assist in the provision of community facilities to be available to all sections of the community without distinction, including use for meetings, lectures and classes and/or other forms of recreation and leisure time occupation with the object of improving the conditions of life for all those who use the facilities; and/or
- to promote the education of pupils or students in schools or establishments for further or higher education by the provision or assistance in the provision of facilities for physical education and development, including games or sports equipment, courses, lectures, demonstrations and coaching; and/or
- to promote the education of the public through the provision of facilities for performing arts; and/or
- to advance the education of the public through the preservation of buildings or sites of historic or architectural importance; and/or
- pursue such other charitable purposes as the Trustees in their absolute discretion shall determine.

Public benefit

In delivering these objectives and developing activities for the forthcoming year the Trustees have considered the Charity Commission guidance on public benefit and fee charging. Abbeycroft Leisure relies on a management fee and the income generated from fees and charges to cover its operating costs. In setting the level of fees and charges and concessions for the activities on offer the Charitable Company gives careful consideration to accessibility to the facilities and activities for those on low incomes.

The main activities for the year are the promotion of health and wellbeing through the provision of education, training and support as well as encouraging social interaction within the community.

The mission and core values for the organisation were updated in 2019 alongside the development of a new 5-year strategy and these are:

Vision

Inspiring Healthier Active Communities through Excellent Facilities and Services, Great Experiences and Strong Partnerships

Mission

"Inspiring a Healthier You"

Core Values

Integrity – Do the right thing

Pride – Proud of what we do and how we do it

Community Focused – Be social, be active

Delivering Together – Looks for opportunities to deliver together

The key actions employed to achieve the Charitable Company's objectives are to:

- deliver high quality leisure facilities and provide customers with tailored expert advice at an affordable price,
- create opportunities for people to take part in sport and leisure activities in groups to enhance general wellbeing,
- encourage support and friendship and create a sense of belonging for members of the community,
- create and manage relationships with key partners and stakeholders to ensure that the Charitable Company is aware of and can contribute to relevant initiatives taking place elsewhere in the community,
- work in partnerships that add value to the organisation and improve the services available to the community,
- organise and engage in local, regional and national initiatives to further enhance the opportunities available to participate in sport and physical activity,
- ensure that the facilities and activities on offer are accessible to all sections of the community,
- ensure continuous improvement is achieved throughout the organisation.

Abbeycroft Leisure offers several competitive membership packages to customers of the leisure facilities, comprising access to fitness studios, swimming pools, and exercise class programmes. Concessionary rates are given to students, senior citizens, people with disabilities, the unemployed and people on low income. There is a wide range of pay and play activities at each Centre as well as weekly sessions run especially for the over 50s, adults with disabilities, and children.

The organisation also provides facilities for outdoor sports such as football and hockey enabling clubs to train and compete in local leagues throughout the season. The Charitable Company works in partnership with several stakeholders to offer these opportunities.

The Active Communities and Explore Outdoor teams organise a wide range of outreach activities so that those communities who have difficulty accessing leisure facilities based in the main settlements still get the opportunity to engage in sport and physical activities. The teams also access a number of local, county, regional and national initiatives to raise the profile of physical activity and offer more opportunity for participation within the local community.

Employment and Engagement

Abbeycroft provides work for local people across a range of sites and activities. During the pandemic many staff were furloughed during lockdown and were involved in numerous staff briefings, detailed mailouts, consultation over returning to the workplace and supported through a variety of offers including support for health interventions, Employee Assistance phone line, access to GP advice, well-being phone calls, and financial advice. Our engagement and communication was recognised by our Bury Quest Assessor as the very best he had seen in the sector. During this period, we have still however been able to upskill and resource our Health and Well-being teams to increase the level of skilled support upon reopening for our health pathways (Frailty, Respiratory and Exercise on Referral). These pathways have been co-produced with the West Suffolk Foundation Trust. We have also maintained online classes whilst closed and created and delivered 20,000 meals to families who are eligible for free school meals. Restructuring of the workforce took place at the end of 2020 to ensure financial resilience in challenging circumstances. Staff volunteered to help their local NHS teams, and other organisations.

The CEO leads staff briefings at least quarterly (and fortnightly during lockdown) where the performance and focus of the organisation is shared and during this year there was a strong focus on supporting staff out of the workforce.

STRATEGIC REPORT

Achievements and Performance

Key achievements for the year:

- **Work completed in 3 centres where facilities** and spaces were developed to better meet current need and demand. Funded by Abbeycroft Leisure and our Local Authority partners, to provide better health and fitness for Newmarket Leisure Centre, Hadleigh Pool and Leisure, and Kingfisher Leisure Centre users.
 - **Newmarket Leisure Centre** was able to open its **new soft play centre; Energy, a new e-gym facility, and a new reception area**
 - **Hadleigh Pool and Leisure** was able to reopen its **new Swimming Pool**, welcoming back swimming lesson learners plus many of our regular swimmers as well as some new customers too.
 - **Kingfisher Leisure Centre** re-opened with a **bigger and more spacious gym**, new changing room facilities, a **community room** space, and a **dedicated indoor cycling room**.
- **Trustees and staff** reviewed the **5-year strategy** re-affirming the focus on prevention and rehabilitation in health and an increased focus on health and wellbeing.
- 13 furloughed staff **volunteered** in a partnership with the local **Integrated Neighbourhood Teams** to support them at a time where increasing demands on their day-to-day jobs meant less time for patients. Six staff **volunteered at vaccination clinics** supporting the roll out of vaccinations and 2 remain actively involved.
- Throughout all 3 lockdowns, and as restrictions eased, we **provided advice** to our customers about **keeping active and maintaining good wellbeing** through regular communications in a range of different ways.
- The **Abbeycroft App** received **investment** with the aim of making it a more **accessible platform** that could become a **central place for customers** to manage bookings, receive updates, contact us, check in, watch live streamed classes, and access our Abbeycroft at Home workouts.
- Over **20,000 individual meals** were provided in **8 localities** across West, South and Mid Suffolk through Family Park Cooking days and Adventure Days. With **1,005 low-income families** engaged:
 - **90%** reported cooking at least one of our meals for their family once a month
 - **57%** indicated they now spend more time with their children outside
 - **75%** indicate that the initiative has had a positive impact on their family's eating habits
 - **91%** said that the initiative resulted in them cooking more with their children

"Was great as I felt we spent more time doing things together that we all enjoyed that we wouldn't normally do, like making the bird house for example" – Mildenhall Family

- With funding from Bury St Edmunds Town Council, a **Christmas project** supported **isolated adults** living in Bury St Edmunds. West Suffolk College provided their catering kitchens and students, a local Chef and a group of volunteers prepared **90 meals** that were distributed. As well as **the heat at home Christmas dinner** every individual received a **Christmas hamper of gifts** donated by residents and local businesses.

"What a most beautiful feeling to know someone is caring when age, illness, disability trap us... A most sincerely grateful thank you for caring."

- After providing free access to Les Mills on demand classes in Lockdown 1, and then 10 free Facebook live streamed classes per week in Lockdown 2, we then, in January 2021, Lockdown 3, we launched our Abbeycroft @ Home online classes, ensuring our communities could remain engaged and active by providing 27 live streamed classes per week. That's a total of 392 live streamed classes receiving 16,315 views. Classes were also made available as 'on demand' to allow people to exercise at a time that was convenient for them, 68% of viewers chose to engage with on demand classes.

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- Staff at West Suffolk Hospital signed up to receive access to Abbeycroft @ Home, during Lockdown 3, to help reduce stress and maintain a healthy and active lifestyle, this equated to £3,700 value of membership provided for free.
- **Together During Lockdown** was developed to meet the needs of those who were **isolated, lonely** and especially those **living with Dementia** and their **Carers** who were used to meeting at **Hadleigh Pool and Leisure**. Around 30 people attended an online **Friendship group**, Chair Based Exercise, and Strength and Balance sessions, throughout the year helping to maintain good mental and physical health and wellbeing.

"I had no contact with others. I live alone. I was bought a Kindle and with help I now join the Friendship and Exercise groups. I no longer feel alone. It has encouraged me to join in other church groups on zoom and listen to live concerts"

- Work with our health colleagues including the **West Suffolk Foundation Trust (WSFT)**, the **West Suffolk CCG** and the **West Suffolk Alliance** has enabled Abbeycroft to co-produce effective interventions which are embedded in Health Pathways. A series of **specialist classes** are offered to **NHS patients** for 24 weeks with the aim of increasing the numbers of patients being contacted, offered, and engaging in an Exercise on Referral Scheme in order **to promote active lifestyles following a health or care intervention**. 85% of those contacted were successfully referred to our Exercise on Referral Scheme and we delivered 508 virtual sessions.
- The CEO and the Strategic Director work with the West Suffolk Alliance in the System Executive Group and the Steering Group to ensure that opportunities to support healthier lives are built into patient care approaches. As Abbeycroft facilities reopen in 2021 these interventions will increase their real time delivery with 1600 funded spaces being available. Referrals will also be taken from Community Health Teams and Social Prescribers to make sure that as many people as possible benefit.
- Continued **partnership working** with schools, colleges, health providers, local government, public health, West Suffolk Hospital, sports clubs / organisations and businesses, and developing new partnerships that have had a positive impact upon the work we carry out.

What customers, stakeholders and volunteers have to say.....

Together During Lockdown

"My wife and I are shielding. My mood has been very low as I am shielding and we are profoundly deaf. On the screen I can see people's faces and read their lips. It's really good to see other people and have a laugh together" - Attendee

"I like to do this on zoom. I feel safe from any COVID and you are the only person to see me exercise which I really like because I am very self-conscious" - Member

"I especially look forward to the daily exercise sessions. They help my rusty old joints and it helps my mental wellbeing. I care for my husband living with dementia and the exercise sessions give me a focus when I can switch off from being a Carer and take Care of me" - Member & Carer

Family Park Cooking and Adventure Days

"I collected the food and activity pack and the fresh hamper was fantastic. All 3 children took it in turns to help with cooking the different recipes. They all helped make the bird box (which they have donated to grandad to hang in his tree), and the nature hunts got us all out of the house for a bit of fresh air. We really appreciate the help with the meals as although there may be other food donations from groups they are mainly tinned food. Having fresh vegetables feels so much healthier." – Stowmarket Family

"Saved money for the week on meals and we bonded and had fun making the meals and have continued to use the recipes since." – Bury St Edmunds Family

"Today I attended the family cooking day with my 3 children in Haverhill, which Claire was running. We all had the best day! Claire was so good with all the children and knowledgeable about all things forestry and kept us busy all day, involving parents as well as children. We played fun games, poo sticks, climbed trees and orienteering. We each had a go at making our own fire which my children loved! We learnt to cook a good hearty meal with flatbread on the fire and for 3 fussy eaters, it was delicious! I would recommend anyone with young children to take part in these activities being run they are so much fun as well as educational and it helps having amazing staff to run them." – Haverhill Family

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Swimming

'My daughter loves her swimming lessons and is learning really quickly!! The teacher's positive attitude to her teaching is brilliant and really shows my kids how fun swimming can be'.

'I took my grandchildren swimming yesterday. I would like to say what a great job the lifeguards were doing. At all times they were checking out the situations in the pools'.

Facility Customers

'Staff at the centre are always helpful and importantly greet you with a cheerful positive attitude'.

'Really enjoyed the HIIT 30. Very polite, professional. All kinds of ideas to suit my abilities, a real credit to what is a really good team. Well done!'

Abbeycroft Leisure would like to express their thanks and appreciation to the organisations that supported, through funding and/or sponsorship, specific areas of work throughout 2020/21. Without this support, the positive effect Abbeycroft Leisure has had on many individuals' health and wellbeing would not have been possible.

This includes, but is not limited to:



Future Plans

There is no doubt that the clear focus for the organisation over the next twelve months will be to stabilise the financial position of the organisation. This will be achieved through accessing various grant funding available, engaging the original customer base, maximising the opportunities available to us through the facility developments, as well as continued partnership working to develop new services to different customer groups.

The background and the context to this approach is the strategy that was developed in the prior year and bringing this to life. This strategy refocused the organisation and examined how it would really impact on people's health and wellbeing, and whilst the pandemic interrupted this work, the majority remains valid today. In some ways Covid-19 has accelerated our learning in this space and examples of this include our online solutions and work with health partners.

Abbeycroft Leisure

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The approaches adopted during the pandemic are also forcing us to review the purpose of leisure facilities and how they interact with other opportunities to take part in physical activity to provide choice to the end user. Whilst a large proportion of the traditional customer base will return to leisure centres now is the time to also consider how we engage the non-traditional audience to support their health and wellbeing. Abbeycroft Leisure had already embarked on this journey, and its work with health partners continues to create new opportunities to engage a different audience, which in turn has created access to new and different funding streams to sustain the organisation.

The further development of a broader range of health and wellbeing product services beyond physical activity will also be a core focus for the organisation, in order to assist individuals to access the support they need, when they need it.

Financial Review

Abbeycroft Leisure's overall income at group level is £6,027,305 which includes £253,271 for grants to be used for a restricted purpose compared to £11,130,030 for 2019/20 which included £118,079 for restricted grants in the previous year. Unrestricted income refers to income from our customers from operating Leisure Centres for recreation including income from memberships, swimming, other sporting, recreational and development activities and income from West Suffolk Council and Babergh District Council under management agreements. For the period 2020/21, a significant amount of unrestricted income relates to financial assistance to support Abbeycroft over the period of the Pandemic, including financial assistance from both Councils, National Leisure Recovery Fund, Covid 19 Business Support Grants and CJRS Furlough Grants. Total expenditure for the year was £7,667,501 leaving us with net expenditure for the year of £1,640,196 (2019/20: net expenditure of £1,077,619) and a net deficit of £4,793,196 for the year after actuarial loss of £3,153,000 (2019/20: surplus of £629,381 after an actuarial gain of £1,707,000).

The unrestricted activities for 2020/21 show income of £5,774,034 representing a reduction of 48% against the prior year (2019/20 £11,011,951) with expenditure of £7,180,400 representing a 40% decrease on the prior year (2019/20 £11,954,232), leaving us with a net unrestricted expenditure of £1,406,366. This expenditure does not include the actuarial pension loss of £3,153,000 and when this is taken into account, we are left with a net operating unrestricted spend of £4,588,366.

The level of unrestricted funds at group level included within the Financial Statements for the year ended 31 March 2021 is (£3,797,482) (2019/20: surplus of £790,884) of which £nil (2019/20: £198,898) has been earmarked for initiatives which grow the business. These figures include the Pension Reserve deficit of £4,962,000 (2019/20: £1,622,000) which does not impact on the level of cash available for the Charitable Group to spend in the short term.

Abbeycroft's restricted funds received income within the year of £253,271 (2019/20: £118,079) from funders with expenditure of £487,101 (2019/20: £253,417) leaving a deficit of £233,830 (2019/20: £135,338). The total restricted funds as at the end of 2020/21 is £216,303 (2019/20: £412,133) as shown in Note 22.

Management Accounts are produced monthly for Senior Management to scrutinise and action. The Charitable Group's financial performance is also considered at each Trustee board meeting and typically includes:

- a comparison of budget to actual figures
- an explanation of variances between forecasts and what actually happened
- details of bank balances
- cashflow forecast

The Charitable Company also has a Finance and Business Development Sub-Committee to work on focused areas to support the financial performance and growth of the organisation.

Going forward, management, supported by the Trustees continue to strive to improve the quality of the Charitable Company's services; challenge and improve value for money; build on current partnerships; seek out new opportunities in the area and increase the number of people participating in physical activity to improve their quality of life all of which support financial sustainability.

Our strategy is income recovery to provide leisure services to the community. We will focus on providing good quality services, through improvements in availability and choice with more relevance to our customers. We will continue to seek opportunities where we can.

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The charity's wholly owned subsidiary, Abbeycroft Enterprises Limited, commenced trading on 4 April 2017 and generated a loss of £45,519 for 2020/21 (2019/20 £69,986). As much as possible will be gifted to Abbeycroft Leisure to assist the charity in meeting its objectives.

Due to the ongoing impact of COVID-19 there are uncertainties in relation to the charity's ability to continue as a going concern, further explanation is provided on page 23 within the going concern accounting policy.

Pricing Policy

The pricing policy reflects our strategy to enable all people within the local community to access our facilities and services.

The Board introduced a concessionary pricing policy in 2007 which was reviewed in March 2021 which remains largely unchanged and is still in operation. Concessionary prices are available for a broad range of products including memberships and pay and play activities.

Concessionary prices are also made available for outreach activity although the main aim of these activities is to improve access and therefore activities are generally free or at a nominal charge.

Principal Risks

The Trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the Charitable Company and its subsidiary faces,
- establishing systems and procedures to mitigate the risks identified in the annual review,
- implementing procedures designed to minimise any potential impact on the Charitable Company should those risks materialise, and,
- providing training opportunities for Trustees and Staff.

During the course of this year, in response to the pandemic, key risks to the organisation have been considered by the Board on a more frequent basis.

The table below summarises the key risk implications of the pandemic and how these link to the core principal risks that remain in place.

Risk Category	Risk Description	Relevant Principal Risk
Liquidity	Significantly reduced trading and periods of lockdown over 2020/21 and 2021/22 impact the organisation's ability to hold sufficient cash reserves to meet its obligations and threaten ongoing viability. Funding streams and business recovery since opening are positively impacting on the organisation's cash reserves enabling it to meet its obligations and secure its ongoing viability.	Liquidity & Funding
Local Authority Contracts/ Partnerships and investments	Our business is dependent on a range of stakeholder relations; the most significant being our local Authority Partners. The continued financial support of our Local Authority Partners is critical to the performance of our operations.	Stakeholder/ Council Relations
Strategy re-alignment	An inability to define and successfully implement a revised strategy to rapidly respond to a post Covid world and the associated change in customer behaviours to secure financial recovery and viability of Abbeycroft. The business strategy has recently been reviewed and implantation is being closely monitored.	Multiple risk implications
Post Pandemic recovery	An inability to successfully respond to the ending of lockdown and social distancing triggering operational challenges, inefficiencies and potential for lost revenue and increased costs.	Multiple risk implications

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Protecting customers and colleagues	An inability to maintain and adapt operational processes and procedures to safeguard customers and colleagues and other partners involved in running our business following lockdown, periods of social distancing and new and emerging Government guidelines.	Legal & regulatory compliance
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Funds held as custodian trustees on behalf of others

The Charitable Company holds no funds as a custodian trustee of other charities. It does however act as an agent, holding funds on behalf on the Community Leisure UK charity to the value of £10,095.

Pension Scheme

The Charitable Company adopts the requirements of section 28 of FRS102: Employee Benefits in respect of its defined benefit pension scheme as it continues to be possible to identify the Charitable Company's share of the pension scheme administered by Suffolk County Council. The impact of this standard has been reflected throughout the financial statements. The year saw an increase in the deficit by £3,340,000 with the balance standing at (£4,962,000) as at 31 March 2021 (2019/20: (£1,622,000)).

Investment Powers and Policy

Under the Memorandum and Articles of Association the Charitable Company has the power to invest in any way the Trustees wish.

The Trustees, having regard to the liquidity requirements of operating the Leisure Centres and to the reserves policy have operated a policy of keeping available funds in either an interest-bearing deposit account or more recently, on a call account, and seek to achieve a rate of interest which matches or exceeds inflation as measured by the retail prices index. Surplus funds are placed on a call account achieving the best available interest rates.

Reserves Policy

The Board have established the level of reserves (that is those funds that are freely available) required by the Charitable Company. Reserves are needed to cover unexpected expenditure such as repairs to equipment or to compensate for loss of income should the centres have to be closed unexpectedly, for example due to bad weather, loss of power and albeit not predicted the impact of the Pandemic. Reserves are also be built up to replace key equipment for the fitness studio and IT equipment at regular intervals and to cover any potential loss in value of the asset form in which the reserves are held. Furthermore, Trustees have given consideration to the strategic direction and growth of the Charitable Company and designated a reserve specifically for initiatives that grow the business and further the charitable objectives of Abbeycroft Leisure (Strategic Investment Fund). Pre-pandemic, the Trustees were satisfied with the policy to maintain, as a minimum, free reserves equivalent to approximately 3 months of expenditure to grow in line with planned expenditure. However, this policy is one that will need to be reviewed in light of the significant reduction in income since March 2020. At 31 March 2021 this target stood at £1,598,975 (2019/20: £2,756,387). The pandemic has had a severely negative impact on Abbeycroft's reserves. In response to this the Trustees have reviewed the level of reserves and resolved to transfer funds from the Strategic Investment Reserve and Assets reserve to the General Fund, of which not all of the funds can readily be converted into cash. A new Capital Fund has been created in 2020/21 to fund future capital purchases.

The actual free reserves at 31 March 2021 were £19,220 (2019/20: £1,140,837). The board acknowledge that free reserves are lower than the target level of reserves and the on-going pandemic has impacted this further. The board will continue to monitor income and expenditure levels to ensure long term progress towards the target level of free reserves.

Previously there was a separate designated reserve that represented the net book value of fixed assets. All funds from this reserve have now been transferred to the general fund or new capital fund as per Board approval on 25 March 2021.

Previously, there was a separate designated reserve for the furtherance of the Trust's strategic initiatives and to invest in activities to achieve growth in income. All funds from this reserve have now been transferred to the general fund and the balance is now £nil (2019/20 £198,898) as per board approval on 25 March 2021.

Trustees' responsibilities in relation to the Financial Statements

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure of the Charitable Company for that period. In preparing those 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 charity will continue its charitable activities.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enables them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Charitable Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Statement as to disclosure of information to Auditors

In accordance with company law, as the company's Trustees, we certify that:

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

Auditors

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

The Trustees' annual report has been prepared in accordance with the small company provisions and was approved by order of the Trustees and signed on its behalf by:



David Howells
Trustee & Vice Chair

Abbeycroft Leisure

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEYCROFT LEISURE for the year ended 31 March 2021

Opinion

We have audited the financial statements of Abbeycroft Leisure (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's 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 group and parent 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.

Material uncertainty related to going concern

We draw attention to the going concern accounting policy on page 22 of the financial statements, which indicates that the charity is being adversely affected by the continued impact of the Covid-19 (Coronavirus) outbreak. Whilst the directors are closely monitoring membership recovery and spend levels, given the unpredictable nature and impact of the outbreak, and how rapidly the responses to the outbreak are changing, the directors are unable to predict the full extent of the impact with regards to the going concern basis of accounting and its related disclosures. As stated in the going concern accounting policy, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group and charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Abbeycroft Leisure

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEYCROFT LEISURE for the year ended 31 March 2021

- the information given in the Trustees' Annual 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' Annual 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 group and the parent charitable company and their 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' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 14 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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.

Abbeycroft Leisure

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEYCROFT LEISURE for the year ended 31 March 2021

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent 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' Annual Report, remaining alert to any new or unusual transactions which may not be in accordance with the governing documents, inspecting any correspondence with local tax authorities, evaluation of computations provided by external tax advisors and performing tests of detail in respect of Coronavirus Job Retention Scheme claims in the period.

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

A further description of our responsibilities for the audit of the financial statements is provided 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.



CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB
Date 29 November 2021

Abbeycroft Leisure

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2021

	Note	Restricted Funds	Unrestricted Funds	Total 2021	Total 2020 (note 27)
		£	£	£	£
Income from:					
Donations, grants and legacies	4	253,271	334,734	588,005	150,269
Charitable activities	5	-	2,545,610	2,545,610	9,761,625
Other trading activities	6	-	107,085	107,085	1,211,996
Other Income	7	-	2,785,757	2,785,757	-
Investments	8	-	848	848	6,140
Total		253,271	5,774,034	6,027,305	11,130,030
Expenditure on:					
Raising funds	9	(3,500)	(312,295)	(315,795)	(981,754)
Charitable activities	10	(483,601)	(6,868,105)	(7,351,706)	(11,225,895)
Total		(487,101)	(7,180,400)	(7,667,501)	(12,207,649)
Net expenditure	11	(233,830)	(1,406,366)	(1,640,196)	(1,077,619)
Transfers between funds		29,000	(29,000)	-	-
Actuarial gains/(losses) on defined benefit pension scheme	14	-	(3,153,000)	(3,153,000)	1,707,000
Net movement in funds		(204,830)	(4,588,366)	(4,793,196)	629,381
Reconciliation of funds					
Total funds brought forward		421,133	790,884	1,212,017	582,636
Total funds carried forward	23	216,303	(3,797,482)	(3,581,179)	1,212,017

The notes on pages 22 to 45 form part of these financial statements.

Abbeycroft Leisure

BALANCE SHEETS

for the year ended 31 March 2021

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed Assets					
Intangible assets	16	3,287	7,809	3,287	7,809
Tangible assets	17	992,011	1,289,515	992,011	1,289,515
Investments	18	-	-	100	100
Total fixed assets		995,298	1,297,324	995,398	1,297,424
Current Assets					
Stock	19	8,731	14,211	7,081	14,211
Debtors	20	552,113	348,875	556,760	354,632
Cash at bank and in hand		1,054,188	2,189,705	1,018,741	2,084,487
Total current assets		1,615,032	2,552,791	1,582,582	2,453,330
Liabilities					
Creditors falling due within one year	21	(1,229,509)	(1,016,098)	(1,222,787)	(987,881)
Net current assets		385,523	1,536,693	359,795	1,465,449
Total assets less liabilities		1,380,821	2,834,017	1,355,193	2,762,869
Defined benefit pension scheme liabilities	14	(4,962,000)	(1,622,000)	(4,962,000)	(1,622,000)
Total net liabilities		(3,581,179)	1,212,017	(3,606,807)	1,140,869

Abbeycroft Leisure

BALANCE SHEETS

for the year ended 31 March 2021

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
The funds of the group/charity:	23				
Restricted funds		216,303	421,133	216,303	421,133
Unrestricted funds:					
General fund		1,014,518	1,140,838	988,790	1,069,590
Designated fund		150,000	1,272,046	150,100	1,272,146
		1,164,518	2,412,884	1,138,890	2,341,736
Pension reserve		(4,962,000)	(1,622,000)	(4,962,000)	(1,622,000)
Total unrestricted funds		(3,797,482)	790,884	(3,823,110)	719,736
Total funds		(3,581,179)	1,212,017	(3,606,807)	1,140,869

A separate Statement of Financial Activities is not presented because the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act. The net expenditure for the Charity before actuarial (losses)/gains for the year ending 31 March 2021 was a net deficit of £1,594,676 (2020: net deficit of £1,103,212)

Approved by the Board on 25 November 2021 and signed on its behalf and authorised for issue by:



David Howells Vice Chair of the Board of Trustees

Abbeycroft Leisure

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 2021

	Note	Group 2021 £	Group 2020 £
Net cash provided by operating activities	28	(1,022,859)	119,880
Cash flows from investing activities:			
Interest income		848	6,140
Purchase of intangible assets		-	(5,100)
Purchase of tangible fixed assets		(91,068)	(240,436)
Proceeds on sale of fixed asset		(22,438)	-
Net cash used in investing activities		(112,658)	(239,396)
Cash flows from financing activities:			
Change in cash and cash equivalents in the year		(1,135,517)	(119,516)
Cash and cash equivalents brought forward		2,189,705	2,309,221
Cash and cash equivalents carried forward		1,054,188	2,189,705
Relating to:			
Bank balances and short-term deposits included in cash at bank and in hand		1,054,188	2,189,705

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

1) Accounting policies

a. Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Abbeycroft Leisure is a Charitable Company domiciled & registered in England. The principal accounting policies adopted in the preparation of the Financial Statements are set out below.

Abbeycroft Leisure meets the definition of a public benefit entity under FRS102. Assets & liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note.

b. Going Concern

In assessing the going concern basis of preparation of the financial statements, the Trustees have considered forecast cashflows, liquidity and business activities over the period to March 2023.

Early indications regarding recovery are positive and performance to the end of August is better than budgeted. Income, membership recovery and spend is being closely monitored and regularly reported to the Board and key stakeholders. However, Abbeycroft Leisure's business remains sensitive to the rate of business recovery, ongoing impact of Covid-19 and surges through the winter and future periods.

Whilst the Trustees have satisfied themselves that they have a reasonable expectation that Abbeycroft Leisure will remain viable over the period of the assessment and it is appropriate to prepare the financial statements on the going concern basis there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern due to the ongoing impact of the Covid-19 pandemic crisis across the leisure sector and price volatility affecting the energy market and inflation generally. The material uncertainty that may cast significant doubt on the company's ability to continue as a going concern could reduce the forecasted levels of cash and impact the company's ability to meet their liabilities as they fall due.

The financial modelling assumes:

- All facilities remain open for the foreseeable future and there will no further lockdowns or worsening restrictions.
- Salaries and overhead cost levels are planned to remain at the levels achieved following the management action taken in 2020/21.
- Use of £650,000 long term loan facility from West Suffolk Council and Babergh Council to support recovery
- There is also an assumption but no certainty that both West Suffolk Council and Babergh District Council will provide essential financial assistance to support the provision of leisure services in West and South Suffolk. The impact of COVID-19 has made Abbeycroft's relationships with its councils even more important than normal. Trustees are extremely grateful for the support and loyalty given by the councils we serve.
- A net cash inflow of £176k, is forecast for the year, giving an anticipated cash balance of £1,230k at March 2023.

Whilst the pension liability (calculated under FRS102 principles) shows as a significant liability on the balance sheet, this does not result in an immediate cash commitment and the liability is not expected to crystallise in the foreseeable future. The Charitable Company and Pension Scheme Provider (Suffolk County Council) have agreed a repayment schedule which is affordable to the Charitable Company.

Further details of the organisation's plans going forward are included in the Report of the Trustees, Future Plans.

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

Based on the detailed forecasts the Trustees are satisfied that the financial statements should be prepared on a going concern basis, however a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern by reducing cash balances as follows:

- The general and ongoing uncertainty resulting from the continuing impact of Covid-19 and the speed at which our Health and Fitness memberships will recover to Pre-Pandemic Levels,
- The dependency on facilities remaining open for the foreseeable future and consumer confidence levels remaining high.
- Price volatility affecting the energy market and the risk of the cost of utilities in 2022/23 being greater than modelled in the financial forecasts.
- Pressure on costs from rising inflation without the scope for significant costs savings for the period to March 2023.
- Continued Local Authority support. Based on financial assistance over the period of the Pandemic to date and the commitment to leisure nationally and locally, Trustees consider there is a realistic expectation that additional financial support would be forthcoming but there is no certainty regarding the funding.

c. Group Financial statements

The consolidated financial statements incorporate the accounts of the Charitable Company and those of its trading subsidiary Abbeycroft Enterprises Limited for the period ended 31 March 2021 on a line by line basis.

The Charity has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102: -

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures

d. Income

Income from charitable activities is recognised as earned (as the related goods and services are provided). Such income is only deferred when:

- Customers pay for swimming lesson courses in advance of the course start dates.
- The management fee is received in advance of the period it relates to.
- Performance related grants are received in advance of the related conditions being satisfied.
- Customers pay for annual memberships in advance of the year term

Income from other trading activities is recognised as earned (as the related goods and services are provided).

Investment income consists of interest earned only and is recognised on a receivable basis.

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably. Abbeycroft Leisure considers the substance of any conditions attaching to donations or grants and to the substance of any contractual terms when determining their entitlement to income

Abbeycroft Leisure identifies donations or grants that are subject to terms or performance related conditions or other conditions that must be met before there is unconditional entitlement to the gifted resources. Where terms and conditions have not been met or uncertainty exists as to whether the Charitable Company can meet the terms or conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms or conditions imposed can be met. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

Government grants 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

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

e. Expenditure

All expenditure is accounted for on an accruals basis and recognised when a liability is incurred. Contractual arrangements are recognised as services are supplied.

- Costs of raising funds are those costs incurred in generating income and those incurred in trading activities which raise funds.
- Charitable activities include expenditure associated with the running costs of the leisure facilities and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been directly allocated to activity cost categories where possible, otherwise they are allocated based on the percentage of total headcount or turnover represented by that activity in the Leisure Centres or other sites.

f. Irrecoverable VAT

All expenditure is classified according to its VAT recovery position. Irrecoverable VAT is charged to the Statement of Financial Activities as it is incurred under a separate heading.

g. Leases

The Charitable Company classifies the lease of certain equipment as operating leases. The title to the equipment remains with the lessor and the equipment is replaced every 3-7 years whilst the economic life of such equipment is estimated to be 10 years. Rental charges are charged on a straight line basis over the term of the lease.

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to expenditure in proportion to the remaining balance outstanding.

h. Goodwill

Positive purchased goodwill is capitalised as an asset on the balance sheet and amortised. Goodwill upon acquisitions represents payments made by the Charitable Company in anticipation of future economic benefits from assets that cannot be identified individually and cannot be recognised separately

The amortisation of goodwill is regarded as having a useful economic life and amortised on a straight line systematic basis as follows:

The Self Centre	5 years
-----------------	---------

i. Tangible & intangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost. Smaller capital items may be aggregated and capitalised.

Tangible and intangible fixed assets are depreciated or amortised on a straight line basis over their estimated useful lives as follows:

Leasehold improvements	8.33% - 50%
Plant, furniture and office equipment	14% - 33%
Sports equipment	14% - 50%
Software	14% - 33%

j. Stock

Stock is included at the lower of cost or net realisable value.

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

k. Debtors

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

l. Investments

Investments relate to the holding of share capital in Abbeycroft Enterprises Limited which is recorded at cost.

m. Cash

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

n. Creditors

Creditors and provisions are recognised where the Charitable Company 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o. Financial instruments

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

p. Funds structure

The Charitable Company's designated funds are to purchase fixed assets for the Leisure Centres and other operational centres and for the furtherance of Abbeycroft Leisure's strategic development and growth. Designated funds are unrestricted funds of the Charitable Company. A designated fund is used to separately identify the defined benefit pension scheme balance.

Donated assets are valued at cost and depreciated in line with the policy detailed in section i through a movement in funds.

Unrestricted funds are grants and other income receivable or generated for the objects of the Charitable Company without further specified purposes and are available as general funds.

Restricted funds are grants and other income receivable or generated for specific activities carried out by the Charitable Company.

q. Pension costs

The Charitable Company operates a defined contribution scheme. Pension costs in respect of the defined contribution scheme are charged to the relevant expenditure heading within the consolidated Statement of Financial Activities in line with the salary costs of the related employees.

The Charitable Company participates in the Suffolk County Council Pension Scheme. The schemes assets are held separately from the assets of the Charitable Company and are administered by trustees and managed professionally. Pension costs are assessed in accordance with actuary advice and based on the most recent actuarial valuations of the schemes. These costs are accounted for in accordance with the requirements of FRS102.

A liability is recognised in the balance sheet in respect of the scheme which represents the present value of the defined benefit obligation at the balance sheet date less the fair value of scheme assets. A full valuation of the liability is calculated

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

by an independent actuary every three years and updated on an annual basis using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are recognised in the Statement of Financial Activities in the year that they arise, together with the return on plan assets, less amounts included in net interest.

Where changes to the Scheme have resulted in past service costs, these are recognised immediately in the Statement of Financial Activities, together with the cost of any curtailments or settlements.

r. Employee Benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Charitable Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

s. Critical accounting estimates and assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 13, will impact the carrying amount of the pension liability.

2) Legal status

The Charitable Company is a company limited by guarantee and has no share capital. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member.

3) Related party transactions and transactions with connected organisations.

West Suffolk Council

The Charitable Company has a close working relationship with West Suffolk Council (previously St Edmundsbury Borough Council and Forest Heath District Council). The following is a summary of transactions with West Suffolk Council:

	2021	2020
	£	£
Management fee receivable	672,049	262,321
Income	759,282	40,497
Purchases	201,233	136,848

Sales include reimbursements for maintenance work paid for by Abbeycroft Leisure, as well as facility hire and corporate membership contributions.

Purchases include payments for service level agreements for IT and Communications, Payroll and HR services.

West Suffolk Council owns all of the land and buildings occupied by Haverhill Leisure Centre and the building occupied by Bury Leisure Centre. West Suffolk Council have the ability to charge a peppercorn rent for all land and buildings occupied by Abbeycroft Leisure.

The balance outstanding with the West Suffolk Council as at 31 March 2021 was a creditor of £25,876 (2020: £112,936).

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

From 1 April 2019 St Edmundsbury Borough Council and Forest Heath District Council merged to become West Suffolk Council.

Babergh District Council

Babergh District Council provides funding in the form of a management fee, to support the Charitable Company in carrying out its charitable objectives. The following is a summary of transactions with Babergh District Council:

	2021	2020
	£	£
Management fee receivable	592,814	279,648
Income	289,995	40,973
Purchases	2,786	3,279

Babergh District Council owns all of the buildings occupied by Kingfisher Leisure Centre and Hadleigh Pool and Leisure. Babergh District Council have the ability to charge a peppercorn rent for all land and buildings occupied by Abbeycroft Leisure.

The balance outstanding with Babergh District Council as at 31 March 2021 was a debtor of £45,358 (2020: £nil)

Abbeycroft Enterprises Limited (wholly owned subsidiary)

In 2020/21 transactions took place between the Trust and its wholly owned subsidiary Abbeycroft Enterprises Limited for provision of accounting services, staffing and use of equipment. The total charge made by Abbeycroft Leisure was £4,620 (2020: £40,193).

The balance outstanding with Abbeycroft Enterprises as at 31 March 2021 was a debtor of £20,415 (2020: debtor of £10,318).

4) Donations and grants

	2021	2020
	£	£
Grants	588,005	150,259
	588,005	150,269

5) Charitable activities

	2021	2020
	£	£
Operation of leisure facilities	1,390,840	8,923,616
Local authority management fee	1,054,053	594,162
Sports development	33,491	97,152
Other income	67,226	146,695
	2,545,610	9,761,625

6) Other trading activities

	2021	2020
	£	£
Catering	3,464	739,948
Soft Play Income	4,866	119,258
Other Income	98,755	352,790
	107,085	1,211,996

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

Activities of trading subsidiary

The Charitable Company has a wholly owned trading subsidiary, Abbeycroft Enterprises Limited, incorporated in the United Kingdom (registered number: 10591490) on 4 April 2018, of which some of the Trustees are directors. The company provides catering services within the Leisure facilities, and gifts all of its taxable profits to Abbeycroft Leisure. Audited accounts of the company are filed with the Registrar of Companies. A summary of the company's trading results for the year ended 31 March 2021 and 2020 are shown below:

	2021 £	2020 £
Turnover	16,007	891,641
Cost of sales	(197,532)	(801,659)
Gross profit	(181,525)	89,982
Distribution costs		
Administrative expenses	(27,815)	(26,491)
Other operating income	170,265	6,495
Operating Profit	(39,075)	69,986
Taxation	(6,444)	-
Profit for the year	(45,519)	69,986
Total assets	52,866	109,780
Total liabilities	(27,137)	(38,533)
Aggregate capital and reserves	25,729	71,248

7) Other Income

	2021 £	2020 £
CJRS Furlough Grants	2,144,604	-
Other COVID Business Grants	641,153	-
	2,785,757	-

8) Investments

	2021 £	2020 £
Bank interest	848	6,140
	848	6,140

9) Raising funds

	2021 £	2020 £
Direct costs	228,710	882,609
Support costs	82,389	91,980
Governance costs	4,696	7,165
	315,795	981,754

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

10) Charitable activities

	Direct costs	Support costs	Governance costs	Total 2021	Total 2020
	£	£	£	£	£
Operation of leisure facilities	5,512,252	1,231,976	-	6,744,288	10,621,726
Sports development	264,739	66,886	-	331,625	276,559
Other costs	162,348	61,177	52,328	275,853	327,610
	5,939,339	1,360,039	52,328	7,351,706	11,225,895

11) Net expenditure for the year

	2021 £	2020 £
This is stated after charging/(crediting):		
Profit on disposal of fixed assets	(32,150)	-
CJRS Grants received	(2,144,604)	(32,189)
Other COVID Relief Grants received	(641,153)	-
Operating leases – land & buildings	57,460	82,460
Operating leases – equipment	27,022	37,648
Depreciation	378,859	415,380
Amortisation	4,521	8,240
Auditors remuneration – statutory audit of group and charity	23,250	18,495
Auditors remuneration – statutory audit of subsidiary	3,150	3,150
Auditors remuneration – tax advisory services	1,830	11,241
Auditors remuneration – accountancy services	-	1,925
Auditors remuneration – internal audit	-	7,000
Auditors remuneration – restructure advice	7,400	-
Auditors remuneration – other services	45	5,212

12) Support costs

The Charitable Company allocates its support costs as shown in the table below and then further apportions those costs between the charitable activities undertaken (see note 9).

	Basis of allocation	2021 £	2020 £
Human Resources & Payroll	Headcount	164,026	160,389
Information Technology	Users	250,628	274,387
Financial activities	Turnover	420,761	842,770
Marketing	Turnover	205,559	258,024
Management	Turnover	308,177	380,043
Insurance	Turnover	85,022	104,510
		1,434,173	2,020,122

13) Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2021 £	2020 £
Salaries and wages	4,141,656	5,819,679
Social security costs	217,917	325,540
Current Service Costs	404,000	700,000
Other Pension costs	48,067	62,400
	4,811,640	6,907,619

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

During 2020/21 there were no non-contractual termination costs (2019/20: £nil).

The emoluments of 1 employee including benefits in kind were in the range of £90,001 to £100,000 (2019/20: 1 employee, £90,001 to £100,000). The emoluments of 2 employees including benefits in kind were in the range of £70,001 to £80,000 (2019/20 1 employee, £70,001 to £80,000). The emoluments of 2 employees including benefits in kind were in the range of £60,001 to £70,000 (2019/20: 2 employees, £60,001 to £70,000).

Three Trustees of Abbeycroft Leisure received £127 of expenses reimbursed during the year, and no donations were received from Trustees. (2019/20: £2,204 relating to mileage for seven trustees, no donations were received.)

The key management personnel of the Group and Charitable Company comprise the Trustees, the Chief Executive Officer, the Finance Director, the Strategic Director and two Development Directors. The Trustees are not remunerated, and the total employee benefits of the other key management personnel of the Group and Charitable Company were £417,140 (2019/20: £450,822).

Staff numbers

The average monthly full-time equivalent employees for the charity was 153 (2020: 214) staff and 161 (2020: 227) for the group for the year to 31 March 2021. The average headcount employees for the group (including part time staff) during the year was as follows:

	2021 Number	2020 Number
Front of house leisure centre staff	421	594
Finance & administration	12	13
Management team	5	5
	438	612

14) Pension scheme (Group and Charity)

West Suffolk Council (Formerly St Edmundsbury Borough Council) Pension Scheme

West Suffolk Council Pension Schemes are shown separately to reflect the different pension admission agreements with Suffolk County Council. The Charitable Company participates in the Suffolk County Council defined benefit pension scheme under an admitted body status. The scheme is a multi-employer defined benefit final salary scheme where the share of the assets and liabilities applicable to each employer has been identified by the Scheme Actuary in this financial year. The scheme is administered for the benefit of Local Authority employees and other bodies and is managed in accordance with the Local Government Pension Scheme Regulations 1997 (as amended). At the year-end there were 45 Abbeycroft Leisure employees in the scheme (2020: 68 employees). The Scheme's assets are held separately from the assets of the Trust.

Contributions totalling £21,232 (2020: £22,925) were payable at the year end and are included within creditors at the reporting date.

The information used for this disclosure has been based on the most recent actuarial valuation on 31 March 2019, by Hymans Robertson LLP, to take account of the requirements of FRS102 in order to assess the liabilities of the Fund as at 31 March 2021.

The major financial assumptions used by the actuary were:

	2021 %	2020 %
Future pension increases	2.8	1.8
Future salary increases	3.5	2.5
Discount rate	2.05	2.3

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

Demographic assumptions – mortality

31 March 2021	Male	Female
Current pensioners	22.1 years	24.5 years
Future pensioners	23.2 years	26.4 years
31 March 2020	Male	Female
Current pensioners	21.9 years	24.1 years
Future pensioners	22.7 years	25.6 years

Analysis of amount charged to the Statement of Financial Activities

	2021	2020
	£'000	£'000
Current service cost	343	593
Interest expense	41	70
	384	663

Changes in the present value of the defined benefit obligation:

	2021	2020
	£'000	£'000
Defined benefit obligation at 1 April	(8,562)	(9,482)
Current service cost	(343)	(593)
Interest expense	(200)	(245)
Contributions by scheme participant	(66)	(90)
Actuarial (gains)/losses	(3,666)	1,755
Benefits paid	102	93
Defined benefit obligation at 31 March	(12,735)	(8,562)

Changes in the fair value of plan assets:

	2021	2020
	£'000	£'000
Plan assets at 1 April	6,843	6,851
Interest income	159	175
Return on plan assets (excluding net interest on the net defined benefit obligation)	1,259	(470)
Contributions by employer	222	290
Contributions by scheme participant	66	90
Benefits paid	(102)	(93)
Plan assets at 31 March	8,447	6,843

The return on assets including amounts in net interest was (£1,418k) (2020: £295k).

The analysis of scheme assets at the reporting date were as follows:

	2021	2020
	%	%
Equities	66	58
Bonds	25	30
Property	8	10
Cash	1	2

West Suffolk Council (Formerly Forest Heath District Council) Pension Scheme

West Suffolk Council Pension Schemes are shown separately to reflect the different pension admission agreements with Suffolk County Council. The Charitable Company participates in the Forest Heath District Council defined benefit pension scheme under an admitted body status. The scheme is a multi-employer defined benefit final salary scheme where the share of the assets and liabilities applicable to each employer has been identified by the Scheme Actuary in this financial year. The scheme is administered for the benefit of Local Authority employees and other bodies and is managed in accordance with the Local Government Pension Scheme Regulations 1997 (as amended). At the year-end there were 6

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

Abbeycroft Leisure employees in the scheme (2020: 7 employees). The Scheme's assets are held separately from the assets of the Trust.

Contributions totalling £3,060 (2020: £3,153) were payable at the year end and are included in within creditors at the reporting date.

The information used for this disclosure has been based on the most recent actuarial valuation, by Hymans Robertson LLP, to take account of the requirements of FRS102 in order to assess the liabilities of the Fund as at 31 March 2021. The major financial assumptions used by the actuary were:

	2021	2020
	%	%
Future pension increases	2.8	1.8
Future salary increases	3.5	2.5
Discount rate	2.05	2.3

Demographic assumptions – mortality

31 March 2021	Male	Female
Current pensioners	21.9 years	24.5 years
Future pensioners	23.2 years	26.4 years
31 March 2020	Male	Female
Current pensioners	21.9 years	24.1 years
Future pensioners	22.7 years	25.6 years

Analysis of amount charged to the Statement of Financial Activities

	2021	2020
	£'000	£'000
Current service cost	56	82
	<u>56</u>	<u>82</u>

Changes in the present value of the defined benefit obligation:

	2021	2020
	£'000	£'000
Defined benefit obligation at 1 April	(3,747)	(4,272)
Current service cost	(56)	(82)
Interest expense	(86)	(108)
Contributions by scheme participant	(10)	(12)
Actuarial losses/(gains)	(1,368)	689
Benefits paid	39	38
Defined benefit obligation at 31 March	<u>(5,228)</u>	<u>(3,747)</u>

Changes in the fair value of plan assets:

	2021	2020
	£'000	£'000
Plan assets at 1 April	3,875	4,062
Interest income	89	102
Return on plan assets (excluding amount included in net interest on the net defined benefit obligation)	704	(301)
Contributions by employer	31	38
Contributions by scheme participant	10	12
Benefits paid	(39)	(38)
Plan assets at 31 March	<u>4,670</u>	<u>3,875</u>

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

The return on assets including amounts in net interest was (£793k) (2020: 199k).

The analysis of scheme assets at the reporting date were as follows:

	2021	2020
	%	%
Equities	66	58
Bonds	25	30
Property	8	10
Cash	1	2

Babergh District Council Pension Scheme

The Charitable Company participates in the Babergh District Council defined benefit pension scheme under an admitted body status. The scheme is a multi-employer defined benefit final salary scheme where the share of the assets and liabilities applicable to each employer has been identified by the Scheme Actuary in this financial year. The scheme is administered for the benefit of Local Authority employees and other bodies and is managed in accordance with the Local Government Pension Scheme Regulations 1997 (as amended). At the year-end there were 1 Abbeycroft Leisure employees in the scheme (2020: 4 employees). The Scheme's assets are held separately from the assets of the Trust.

Contributions totalling £110 (2020: £723) were payable at the year end and are included in within creditors at the reporting date.

The information used for this disclosure has been based on the most recent actuarial valuation, by Hymans Robertson LLP, to take account of the requirements of FRS102 in order to assess the liabilities of the Fund as at 31 March 2021.

The major financial assumptions used by the actuary were:

	2021	2020
	%	%
Future pension increases	2.8	1.8
Future salary increases	3.5	2.5
Discount rate	2.05	2.3

Demographic assumptions – mortality

31 March 2021	Male	Female
Current pensioners	22.1 years	24.5 years
Future pensioners	23.2 years	26.4 years

31 March 2020	Male	Female
Current pensioners	21.9 years	24.1 years
Future pensioners	22.7 years	25.6 years

Analysis of amount charged to the Statement of Financial Activities

	2021	2020
	£'000	£'000
Current service cost	5	25
Interest expense	(1)	(1)
	4	24

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

Changes in the present value of the defined benefit obligation:

	2021 £'000	2020 £'000
Defined benefit obligation at 1 April	(293)	(328)
Current service cost	(5)	(25)
Interest expense	(7)	(8)
Contributions by scheme participant	(1)	(3)
Actuarial losses/(gains)	(130)	67
Benefits paid	2	4
Defined benefit obligation at 31 March	(434)	(293)

Changes in the fair value of plan assets:

	2021 £'000	2020 £'000
Plan assets at 1 April	262	277
Interest income	6	7
Return on plan assets (excluding amount included in net interest on the net defined benefit obligation)	48	(33)
Contributions by employer	3	12
Contributions by scheme participant	1	3
Benefits paid	(2)	(4)
Plan assets at 31 March	318	262

The return on assets including amounts in net interest was (£54k) (2020: £26k).

The analysis of scheme assets at the reporting date were as follows:

	2021 %	2020 %
Equities	66	58
Bonds	25	30
Property	8	10
Cash	1	2

St Edmundsbury Borough Council, Forest Heath District Council and Babergh District Council Pension Schemes

	SEBC 2021 £'000	SEBC 2020 £'000	FHDC 2021 £'000	FHDC 2020 £'000	BAB 2021 £'000	BAB 2020 £'000	TOTAL 2021 £'000	TOTAL 2020 £'000
<u>Movement in deficit during the year</u>								
Deficit at the beginning of the year	(1,719)	(2,631)	128	(210)	(31)	(51)	(1,622)	(2,892)
Current Service Cost	(343)	(593)	(56)	(82)	(5)	(25)	(404)	(700)
Interest expense	(200)	(245)	(86)	(108)	(7)	(8)	(293)	(361)
Employer Contributions	222	290	31	38	3	12	256	340
Interest income	159	175	89	102	6	7	254	284
Net actuarial (losses)/gains	(2,407)	1,285	(664)	388	(82)	34	(3,153)	1,707
(Deficit)/surplus at the end of the year	(4,288)	(1,719)	(558)	128	(116)	(31)	(4,962)	(1,622)

15) Taxation

The Charitable Company was granted charitable status on 5 December 2006. The income and gains of the Charitable Company are exempt from taxation on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable activities.

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

16) Intangible assets (Group and Charity)

	Goodwill £	Software £	Total £
Cost:			
As at 1 April 2020	22,966	22,374	45,340
Additions	-	-	-
As at 31 March 2021	22,966	22,374	45,340
Amortisation:			
As at 1 April 2020	22,966	14,565	37,531
Charge for the year	-	4,521	4,521
As at 31 March 2021	22,966	19,086	42,052
Net book value			
As at 31 March 2021	-	3,287	3,287
As at 31 March 2020	-	7,809	7,809

17) Tangible fixed assets (Group and Charity)

	Long-term Leasehold Improvements £	Plant, furniture & office equipment £	Sports Equipment £	Total £
Cost:				
As at 1 April 2020	730,333	1,244,927	2,093,922	4,069,182
Additions	-	37,685	53,383	91,068
Disposals	(293,327)	(6,612)	(377,916)	(677,855)
As at 31 March 2021	437,006	1,276,000	1,769,389	3,482,395
Depreciation:				
As at 1 April 2020	551,391	863,160	1,365,116	2,779,667
Charge for the year	42,589	137,289	198,982	378,859
Disposals	(292,988)	(6,612)	(368,543)	(668,143)
As at 31 March 2021	300,992	993,837	1,195,555	2,490,384
Net book value				
As at 31 March 2021	136,014	282,163	573,833	992,011
As at 31 March 2020	178,942	381,767	728,806	1,289,515

18) Investments

Abbeycroft Leisure purchased 100 ordinary shares in Abbeycroft Enterprises Ltd (company number 10591490) on 22 February 2018 in cash.

19) Stocks

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Bar and café	1,899	-	249	-
Sports equipment	2,080	3,929	2,080	3,929
Badges and certificates	4,752	10,282	4,752	10,282
	8,731	14,211	7,081	14,211

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

20) Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	170,870	230,698	168,980	230,131
Prepayments and accrued income	342,245	111,581	335,257	107,587
Other debtors	38,998	6,596	32,108	6,596
Amounts owed by group undertakings	-	-	20,415	10,318
	552,113	348,875	556,760	354,632

21) Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	315,088	291,650	311,875	286,539
Accruals	319,807	213,099	317,246	209,949
Other creditors	58,270	76,310	58,180	75,676
Other taxes and social security	42,714	76,617	41,856	57,295
Deferred income (see note 22)	493,630	358,422	493,630	358,422
	1,229,509	1,016,098	1,222,787	987,881

22) Deferred income

Deferred income for the group and charity comprises of deferred grant income, annual memberships from 01 April and Direct Debit memberships owed from closure.

	2021	2020
	£	£
Balance as at 1 April	358,422	236,381
Amount released to income	(358,422)	(236,381)
Amount deferred in year	493,630	358,422
Balance as at 31 March	493,630	358,422

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

23) Analysis of charitable funds

Group	Balance at 1 April 2020 £	Income £	Expenditure £	Actuarial gain £	Transfer between funds £	Balance at 31 March 2021 £
General fund	1,140,838	5,774,034	(6,993,400)	-	1,093,046	1,014,518
Pension reserve	(1,622,000)	-	(187,000)	(3,153,000)	-	(4,962,000)
Designated Funds						
Other assets	1,073,148	-	-	-	(1,073,148)	-
Capital Fund	-	-	-	-	150,000	150,000
Strategic Investment	198,898	-	-	-	(198,898)	-
Subtotal Unrestricted Funds	790,884	5,774,034	(7,180,400)	(3,153,000)	(29,000)	(3,797,482)
Restricted Fund						
Stand Tall Project	28,574	-	(18,362)	-	-	10,212
Make Your Move	11,633	-	-	-	-	11,633
Gym Equipment Newmarket	132,953	-	(132,953)	-	-	-
Gym Equipment Skyliner	91,221	-	(91,221)	-	-	-
Exercise on Referral	16,500	-	-	-	-	16,500
Lloyds Bank Bond	81,000	-	-	-	29,000	110,000
Active Mums Project	9,079	-	(350)	-	-	8,729
Hadleigh Dementia Alliance	-	9,152	(2,153)	-	-	6,999
B Weedan Funds	39,917	-	(39,917)	-	-	-
Fit and Fed	-	165,164	(141,233)	-	-	23,931
Suffolk Community Foundation	-	50,833	(41,119)	-	-	9,714
Sport Inequalities Fund	-	6,212	(1,294)	-	-	4,918
Inspire Cards	10,257	-	-	-	-	10,257
Outdoor Community Program	-	3,410	-	-	-	3,410
Active Schools Program	-	15,000	(15,000)	-	-	-
Little Kingfishers	-	3,500	(3,500)	-	-	-
Subtotal Funds	421,133	253,271	(487,101)	-	29,000	216,303
Total Funds	1,212,017	6,027,305	(7,667,501)	(3,153,000)	-	(3,581,179)

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

Charity	Balance at 1 April 2020	Income	Expenditure	Actuarial gain	Transfer between funds	Balance at 31 March 2021
	£	£	£	£	£	£
General fund	1,069,590	5,595,882	(6,769,728)	-	1,093,046	988,790
Pension reserve	(1,622,000)	-	(187,000)	(3,153,000)	-	(4,962,000)
Designated Funds						
Other assets	1,073,248	-	-	-	(1,073,148)	100
Capital Fund	-	-	-	-	150,000	150,000
Strategic Investment	198,898	-	-	-	(198,898)	-
Subtotal Unrestricted Funds	719,736	5,595,882	(6,956,728)	(3,153,000)	(29,000)	(3,823,110)
Restricted Fund						
Stand Tall Project	28,574	-	(18,362)	-	-	10,212
Make Your Move	11,633	-	-	-	-	11,633
Gym Equipment Newmarket	132,953	-	(132,953)	-	-	-
Gym Equipment Skyliner	91,221	-	(91,221)	-	-	-
Exercise on Referral	16,500	-	-	-	-	16,500
Lloyds Bank Bond	81,000	-	-	-	29,000	110,000
Active Mums Project	9,079	-	(350)	-	-	8,729
Hadleigh Dementia Alliance	-	9,152	(2,153)	-	-	6,999
B Weedan Funds	39,917	-	(39,917)	-	-	-
Fit and Fed	-	165,164	(141,233)	-	-	23,931
Suffolk Community	-	50,833	(41,119)	-	-	9,714
Foundation	-	-	-	-	-	-
Sport Inequalities Fund	-	6,212	(1,294)	-	-	4,918
Inspire Cards	10,257	-	-	-	-	10,257
Outdoor Community Program	-	3,410	-	-	-	3,410
Active Schools Program	-	15,000	(15,000)	-	-	-
Subtotal Funds	421,133	249,771	(483,601)	-	29,000	216,303
Total	1,140,869	5,845,653	(7,440,329)	(3,153,000)	-	(3,606,807)

Restricted funds

During the year and in prior years, funds were received which carried restrictions upon their use. Non-performance related grants received during this year have been recognised in full on the Statement of Financial Activities. Performance related grants have been recognised to the level of outputs delivered for the period up to 31 March 2021.

Funds are restricted for the purposes of:

Stand Tall Project - This is a 12 week physical activity and wellbeing programme that targets 14-25 year olds who are both inactive and are known to suffer with a mental health condition. Phase I of the project is complete phase II was due to complete in 2019/20 but was extended due to the pandemic. Permission was obtained to transfer the balance of funds from Phase I of the project to unrestricted projects within the Charitable Company.

Make your Move - This funded a programme of physical activity as a lever to help young people develop a number of skills that will increase their self-confidence, alongside providing individuals with job ready skills, and opportunities for people to obtain leisure qualifications that can lead to employment.

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Gym Equipment Newmarket - This is grant funding from Forest Heath District Council for the purchase of gym/sports equipment at Newmarket Leisure Centre

Gym Equipment Skyliner - This is grant funding from St Edmundsbury Borough Council for the purchase of gym/sports equipment at Skyliner Sports Centre.

Exercise on Referral in Hadleigh and East Bergholt - The GP referral scheme is designed to help people who would benefit from regular exercise. They are aimed at people with medical conditions that put their health at risk and people who are at risk through a non-active lifestyle.

Lloyds Bank Bond - Lloyds Bank provide the bond that is required by Suffolk County Council as a guarantee to the Babergh Local Government Pension scheme. It is a condition of this agreement that Abbeycroft Leisure allocate the sum of this agreement to a restricted fund

Active Mums – This is funding from Suffolk County Council to contribute to the improved health of pregnant women smoking in West Suffolk and Waveney

Hadleigh Dementia Alliance - This is funding from the Suffolk Community Foundation to support Dementia inclusive social activity in Hadleigh

B Weedan Fund - This is a legacy provided to South Suffolk Leisure by Mr Brian Weedan for works done to the changing room and swimming pool at Kingfisher Leisure Centre

Fit and Fed – This fund is to provide holiday activities and free meals to eligible children over the holiday periods.

Suffolk Community Foundation – This funding from Suffolk NHS Foundation Trust to provide rehabilitation for people who have suffered from Covid-19, but also for people who have deconditioned from shielding, people with long term conditions who have deteriorated and people waiting for surgery as a result of the pandemic.

Inequalities Sport Fund – This is funding from Sport England to help reduce the negative impact of COVID-19 and widening of the inequalities in sport and physical activity

Inspire Cards – Funded from the sale of customer discount cards this is reinvested into community programmes and initiatives, which provide opportunities for everyone to be active.

Outdoor Community Program – This funding from Suffolk County Council will support the pilot of a 31-week programme, consisting of two activity sessions per week in Bury St Edmunds in an accessible open communal space in accordance with Covid-19 restrictions.

Active Schools Program – This is funding from Active Suffolk to deliver a broad programme of physical activity to communities in West Suffolk and, specifically, ensure the effective delivery of the Active Schools project in Brandon, Mildenhall and Thurston.

Little Kingfishers - This is funding from Suffolk County Council to contribute towards the refurbishment of the Soft Play area at Kingfisher Leisure Centre

Designated Funds

A designated fund exists to represent the pension scheme deficit which at 31 March 2021 was £4,962,000. These funds have been ring-fenced by the Trustees such that the general fund represents free reserves to be spent on the running of the Charity. A new designated capital fund has been set up to fund future capital expenditure. Previously Trustees designated reserves specifically for initiatives that grow the business and further the charitable objectives and to reflect the net book value of fixed assets not represented by restricted funds. Due to the Pandemic and the operational losses these previously designated funds were transferred to the general fund in the year. This policy is one that will need to be reviewed in light of the significant reduction in income since March 2020.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

Transfers between funds

In addition to the transfers referred to above, there has been a transfer to restricted funds from unrestricted funds for £29,000 to reflect the total value of the Lloyds bank bond.

24) Analysis of net assets between funds

Group

	Restricted Fund £	General Fund £	Designated Fund £	Pension Reserve £	Total Funds at 31 March 2021 £
Fixed Assets	-	995,298	-	-	995,298
Net Current Assets	216,303	19,220	150,000		385,523
Pension Scheme Liability	-	-	-	(4,962,000)	(4,962,000)
Total	216,303	1,014,518	150,000	(4,962,000)	(3,581,179)

Charity

	Restricted Fund £	General Fund £	Designated Fund £	Pension Reserve £	Total Funds at 31 March 2021 £
Fixed Assets	-	995,298	100	-	995,398
Net Current Assets	216,303	(6,508)	150,000		359,795
Pension Scheme Liability	-	-	-	(4,962,000)	(4,962,000)
Total	216,303	988,790	150,100	(4,962,000)	(3,606,807)

25) Operating lease commitments

As at 31 March 2021, Abbeycroft Leisure had annual commitments under non-cancellable operating leases in respect of plant and machinery and property as shown below:

	2021 £	2020 £
Other operating leases		
Within one year	9,289	16,502
Within one to two years	2,438	9,616
Between two and five years	2,381	851
Total	14,108	26,969
Land and buildings		
Within one year	-	33,333
Within one to two years	-	-
Total	-	33,333

As at 31 March 2021, the Charitable Group had annual commitments under non-cancellable operating leases in respect of plant and machinery and property as shown below:

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

	2021 £	2020 £
Other operating leases		
Within one year	8,483	24,416
Within one to two years	2,438	10,708
Between two and five years	2,381	851
Total	13,302	35,975
Land and buildings		
Within one year	-	33,333
Within one to two years	-	-
Total	-	33,333

26) Contingent Asset/Liability

The charity, along with its subsidiary is a member of a VAT group. Both entities concerned are jointly and severally liable for the VAT liabilities of other group members. At 31 March 2021 there was £24,529 receivable (2020: £16,686 payable) from HM Revenue and Customs from other group companies.

27) Comparative SOFA by fund

	Restricted Funds £	Unrestricted Funds £	Total 2020 £
Income from:			
Donations and grants	118,079	32,190	150,269
Charitable activities	-	9,761,625	9,761,625
Other trading activities	-	1,211,996	1,211,996
Investments	-	6,140	6,140
Total	118,079	11,011,951	11,130,030
Expenditure on:			
Raising funds	(2,500)	(979,254)	(981,754)
Charitable activities	(250,917)	(10,974,978)	(11,225,895)
Total	(253,417)	(11,954,232)	(12,207,649)
Net income/(expenditure)	(135,338)	(942,281)	(1,077,619)
Gross transfers in the year	2,141	(2,141)	-
Actuarial gains/(losses) on defined benefit pension scheme	-	1,707,000	1,707,000
Net movement in funds	(133,197)	762,578	629,381
Reconciliation of funds			
Total funds brought forward	554,330	28,306	582,636
Total funds carried forward	421,133	790,884	1,212,017

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

28) Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure)	(1,640,196)	(1,077,619)
Depreciation	378,859	415,380
Amortisation	4,521	8,240
Profit on disposal	32,153	-
Interest income	(848)	(6,140)
Decrease in stock	5,480	37,959
Increase in debtors	(203,237)	259,784
Increase in creditors	213,409	45,276
Defined Benefit Pension Scheme	187,000	437,000
Net cash provided by operating activities	(1,022,859)	119,880

29) Analysis of changes in net funds

	2020 £	Cashflow £	2021 £
Cash at bank and in hand	2,189,705	(1,135,517)	1,054,188

Abbeycroft Leisure

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

30) Analysis of charitable funds – comparative

Group	Balance at 1 April 2019 £	Income £	Expenditure £	Actuarial gain £	Transfer between funds £	Balance at 31 March 2020 £
General fund	1,468,942	11,011,951	(11,517,232)	-	177,177	1,140,838
Pension reserve	(2,892,000)	-	(437,000)	1,707,000	-	(1,622,000)
Designated Funds						
Other assets	1,184,506	-	-	-	(111,358)	1,073,148
Strategic Investment	266,858	-	-	-	(67,960)	198,898
Subtotal Unrestricted Funds	28,306	11,011,951	(11,954,232)	1,707,000	(2,141)	790,884
Restricted Fund						
West Suffolk Transformation	9,860	-	(9,860)	-	-	-
Funded Holiday Camp	925	-	(925)	-	-	-
Stand Tall Project	10,344	56,166	(37,936)	-	-	28,574
Make Your Move	15,512	-	(3,879)	-	-	11,633
Gym Equipment Newmarket	154,114	-	(21,161)	-	-	132,953
Gym Equipment Skyliner	136,787	-	(45,566)	-	-	91,221
Exercise on Referral	17,000	16,500	(17,000)	-	-	16,500
Women on Wheels	-	696	(1,625)	-	929	-
Run Walk Routes	821	-	(821)	-	-	-
Lloyds Bank Bond	81,000	-	-	-	-	81,000
Youth Chill Out Newmarket	5,118	-	(5,079)	-	(39)	-
Youth Chill Out Brandon	5,025	-	(5,164)	-	138	-
Active Mums Project	44,222	-	(35,143)	-	-	9,079
Bury Goes Biking	9,466	500	(10,814)	-	848	-
B Weedan Funds	39,917	-	-	-	-	39,917
Hadleigh Dementia	7,500	-	(7,500)	-	-	-
Fit and Fed	-	28,000	(28,000)	-	-	-
Satellite Club Funding	9,439	-	(9,704)	-	265	-
Little Kingfishers	-	2,500	(2,500)	-	-	-
Inspire Cards	-	10,257	-	-	-	10,257
Other Small Projects	7,280	3,460	(10,740)	-	-	-
Subtotal Funds	554,330	118,079	(253,417)	-	2,141	421,133
Total Funds	582,636	11,130,030	(12,207,649)	1,707,000	-	1,212,017

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Charity	Balance at 1 April 2019	Income	Expenditure	Actuarial gain	Transfer between funds	Balance at 31 March 2020
	£	£	£	£	£	£
General fund	1,423,387	10,200,901	(10,731,775)	-	177,077	1,069,590
Pension reserve	(2,892,000)	-	(437,000)	1,707,000	-	(1,622,000)
Designated Funds						
Other assets	1,184,506	-	-	-	(111,258)	1,073,248
Strategic Investment	266,858	-	-	-	(67,960)	198,898
Subtotal Unrestricted Funds	(17,249)	10,200,901	(11,168,775)	1,707,000	(2,141)	719,736
Restricted Fund						
West Suffolk Transformation	9,860	-	(9,860)	-	-	-
Funded Holiday Camp	925	-	(925)	-	-	-
Stand Tall Project	10,344	56,166	(37,936)	-	-	28,574
Make Your Move	15,512	-	(3,879)	-	-	11,633
Gym Equipment Newmarket	154,114	-	(21,161)	-	-	132,953
Gym Equipment Skyliner	136,787	-	(45,566)	-	-	91,221
Exercise on Referral	17,000	16,500	(17,000)	-	-	16,500
Women on Wheels	-	696	(1,625)	-	929	-
Run Walk Routes	821	-	(821)	-	-	-
Lloyds Bank Bond	81,000	-	-	-	-	81,000
Youth Chill Out Newmarket	5,118	-	(5,079)	-	(39)	-
Youth Chill Out Brandon	5,025	-	(5,164)	-	138	-
Active Mums Project	44,222	-	(35,143)	-	-	9,079
Bury Goes Biking	9,466	500	(10,814)	-	848	-
B Weedan Funds	39,917	-	-	-	-	39,917
Hadleigh Dementia	7,500	-	(7,500)	-	-	-
Fit and Fed	-	28,000	(28,000)	-	-	-
Satellite Club Funding	9,439	-	(9,704)	-	265	-
Inspire Cards	-	10,257	-	-	-	10,257
Other Small Projects	7,280	3,460	(10,740)	-	-	-
Subtotal Funds	554,330	115,579	(250,917)	-	2,141	421,133
Total	537,081	10,316,480	(11,419,692)	1,707,000	-	1,140,869

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31) Analysis of net assets between funds – comparative

Group

	Restricted Fund	General Fund	Designated Fund	Pension Reserve	Total Funds at 31 March 2020
	£	£	£	£	£
Fixed Assets	224,174	-	1,073,148	-	1,297,322
Net Current Assets	196,961	1,140,837	198,898		1,536,696
Pension Scheme Liability	-	-	-	(1,622,000)	(1,622,000)
Total	421,135	1,140,837	1,272,047	(1,622,000)	1,212,018

Charity

	Restricted Fund	General Fund	Designated Fund	Pension Reserve	Total Funds at 31 March 2020
	£	£	£	£	£
Fixed Assets	224,174	-	1,073,248	-	1,297,422
Net Current Assets	196,961	1,069,588	198,898		1,465,447
Pension Scheme Liability	-	-	-	(1,622,000)	(1,622,000)
Total	421,135	1,069,588	1,272,147	(1,622,000)	1,140,869