

Registered number: 07555631
Charity number: 1145613

UNITY LEISURE
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

UNITY LEISURE
(A Company Limited by Guarantee)

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UNITY LEISURE**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	C J Holmes M J Sawyer W Pope A K Ellis A D Riley D S Iles (resigned 28 July 2020) R J Aveling A S King (resigned 29 July 2021) P Jones Z Smith (resigned 29 July 2021) S Adams D Crowther H Barrett (appointed 29 July 2021)
Company registered number	07555631
Charity registered number	1145613
Registered office	78 Robert Street Northampton Northamptonshire NN1 3BJ
Company secretary	R J Austin
Managing director	J Fletcher
Independent auditor	MHA MacIntyre Hudson Peterbridge House The Lakes Northampton NN4 7HB

UNITY LEISURE

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Bankers	HSBC Bank St Clair House 5 Old Bedford Road Northampton NN4 7AA
Members	C J Holmes M J Sawyer West Northamptonshire Borough Council Health Watch Northamptonshire University of Northampton Northamptonshire County Cricket Club Voluntary Impact Northampton Northamptonshire Sport Duston Parish Council Northampton General Hospital Age UK Northamptonshire

UNITY LEISURE

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

'Inspiring Active Lifestyles'

The Trust has set itself five priorities:

- To create and deliver initiatives for the improvement of Health & Wellbeing across the geographical area we serve.
- To improve on the Social Impact and value of our services.
- To continuously improve customer service and journey by delivering high quality services and facilities.
- To generate income and surpluses to allow us to invest, improve and increase our leisure offer.
- To enhance our skilled and motivated workforce.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Achievements and performance

The Trusts facilities have been closed for most of the financial year because of Covid-19 restrictions. We have assisted where we have been able to with the national effort to combat Covid by offering our centre at Danes Camp for use as a mass testing centre. To be able to remain solvent and viable has been down to the hard work and effort of our whole team and the main achievement for the year.

c. Main activities undertaken to further the Company's purposes for the public benefit

The Trustees have referred to the Charity Commission's guidance on public benefit when deciding on the activities Unity Leisure provides. Unity Leisure provides public benefit in the following ways:

- To promote for the public benefit the provision of facilities for recreation or other leisure time occupation for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their conditions of life.
- To advance health for the public benefit by promoting participation in healthy exercise and physical activity.
- To advance education in the arts for the public benefit in particular but not exclusively by the maintenance and management of a cinema.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

a. Key performance indicators

The shadow of Covid 19 hangs heavy over the Trust and will have a massive impact on our financial performance. We have seen our turnover reduce by over 60% (excluding Job Retention Scheme grants) and we have lost £570,000 during the 2020/21 financial year. We have taken out a CBILS loan of £350,000 to help manage our cashflows and ensure that we could continue to trade solvently. We have relied heavily on both the job retention scheme and business interruption grants to continue trading and our medium term future has been secured by the award of a leisure specific government grant of £530,000 to cover 2020/21 and 2021/22 financial years.

For 2021/22 we are expecting to make a small surplus but this is down to grants and assistance that it unlikely to be received beyond the current financial year. It is likely that it will take until September 2022 before we reach a breakeven position and this is dependent on no further restrictions being put in place.

b. Review of activities

During 2020/21 the majority of our facilities were closed for 7 months. During the 5 months we were allowed to open we were severely restricted on what we were allowed to do.

To ensure that our customers felt as comfortable as they could we changed the way our facilities were laid out to provide better social distancing between our customers. Extensive work and costs went into ensuring that the risk of transmitting Covid was reduced as much as reasonably possible.

We continued to engage closely with all members, through all of our active social media channels, we set up a filming studio and delivered online live classes and activities and set up a page for members to support our charity through a just giving page.

We actively sourced all possible grants and funding opportunities to keep the business financially stable and afloat and we over communicated with the team whilst they were on furlough.

Our facility at Danes Camp was used as a mass testing centre. Not only did this provide welcome employment for our staff but much needed revenue for the business.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

UNITY LEISURE

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

b. Reserves policy

The reserves policy for the Trust sets out the cash target level of reserves of £600,000. This figure is made up of two key components namely;

- £300,000 being the amount needed to manage fluctuations in cash flow
- £300,000 being the amount needed to manage unforeseen expenditure or drops in income

We currently do not set aside any amounts to meet future expenditure as this can all be funded by ongoing revenue. It is though part of our strategy to develop a new reserve of up to £400,000 so that we can take advantage of opportunities as they come about.

As at 31 March 2021 the value of cash reserves held was £616,600.

It is though anticipated that the impact of Covid 19 will fully deplete all reserves of the Trust.

Structure, governance and management

a. Constitution

The Company is registered as a charitable company limited by guarantee (company number: 07555631), governed by Memorandum and Articles of Association and was set up by a Trust deed in 2012.

The company is constituted under a Trust deed and is a registered charity and holds the registration number 1145613.

The principal object of the company is to operate for public benefit, facilities and services for leisure and recreation and be sustainable.

The charitable company operates under the name 'Northampton Leisure Trust'.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Policies adopted for the induction and training of Trustees

Trustees are appointed and their conduct governed by the charitable company's Articles of Association and Code of Conduct. New Trustees are recruited through local advertisements and any appointment would be based on an assessment of the required abilities and, if appropriate, specialist skills required by the board. All current Trustees have received training to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making process, the Business Plan and financial monitoring of the charitable company's performance. Any new Trustee(s) will receive a commensurate level of training in accordance with the Trustee induction policy. None of the Trustees receive remuneration or other benefit from their work with the charitable company.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

d. Pay policy for senior staff

The remuneration of the Managing Director and the Finance Director is considered by a Remuneration Committee. Other permanent staff are remunerated using an evaluation model promoted by the Joint Negotiating Council. Where this is not appropriate, market rates are applied. Remuneration is based on a combination of market rates, performance and the need to retain key members of staff.

e. Organisational structure and decision making

The Board of Trustees, which can contain up to 15 members, administers the charitable company. The board meets on a bi-monthly basis and there are the following sub-committees:

- Audit Committee.
- Remuneration Committee.

The Managing Director and the Finance Director are appointed by the Trustees to manage the day to day operations of the charitable company. To facilitate effective operations the Managing Director and the Finance Director have delegated authority, within the terms of delegation approved by the Trustees, for all operational and administrative functions including finance, HR and IT.

f. Risk management

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the charitable company may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- Implementation of procedures designed to minimise any potential impact on the charitable company should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charitable company. Particular attention has focused on financial risk with regard to the FRS102 pension liability, assessing Unity Leisure's exposure to its facilities repair and maintenance costs, the monthly monitoring of trading performance together with an assessment of the key performance indicators and the implementation of a prudent reserves policy.

Non-financial risk is also regularly assessed with regard to company operations and ensuring continued usage of facilities through capital investment strategy and operational activity reviews. In particular, work has been undertaken to identify and mitigate health and safety issues within operational areas. This approach to risk management has resulted in better emergency procedures and contingency plans and has given the impetus for better planning and service delivery.

Plans for future periods

In September 2018 the Trust launched its strategy for the next five years where the Trust would be "Inspiring Active Lifestyles". The strategy is clear in that we are moving from just helping people keep fit but we are playing a key role in improving the health and wellbeing of the communities we serve. Inactivity is the biggest killer in this country and by giving the people of Northampton varied and high quality opportunities to get active we are not only improving their lives but will, in turn, be reducing the burden on other public services. To achieve our ambition, a key outcome is to improve and expand the range of facilities and activities on offer. Full details of our Strategy is available at <http://www.trilogleisure.co.uk/about>.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Funds held as custodian

There are no funds held as Custodian.

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy.
- Volunteers' policy.
- Health & safety policy.

In accordance with the Company's equal opportunities policy, the Company has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Company's offices.

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditor

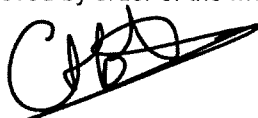
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, MHA MacIntyre Hudson, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



C J Holmes
Trustee

Date: 28-09-21

UNITY LEISURE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY LEISURE

Opinion

We have audited the financial statements of Unity Leisure (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY LEISURE (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report.

Responsibilities of trustees

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY LEISURE (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

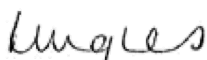
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rebecca Hughes BSc (Hons) FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditors

Peterbridge House

The Lakes

Northampton

NN4 7HB

Date: 25 November 2021

UNITY LEISURE
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Charitable activities	4	-	1,699,877	1,699,877	6,684,523
Other trading activities	5	-	-	-	21
Investments		-	11,000	11,000	-
Other income	6	55,469	2,173,694	2,229,163	123,895
Total income		55,469	3,884,571	3,940,040	6,808,439
Expenditure on:					
Charitable activities	7	55,469	4,649,104	4,704,573	6,938,592
Total expenditure		55,469	4,649,104	4,704,573	6,938,592
Net movement in funds before other recognised gains/(losses)		-	(764,533)	(764,533)	(130,153)
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(518,000)	(518,000)	1,031,000
Net movement in funds		-	(1,282,533)	(1,282,533)	900,847
Reconciliation of funds:					
Total funds brought forward		-	1,931,706	1,931,706	1,030,859
Net movement in funds		-	(1,282,533)	(1,282,533)	900,847
Total funds carried forward	18	-	649,173	649,173	1,931,706

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 16 to 37 form part of these financial statements.

UNITY LEISURE
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REGISTERED NUMBER: 07555631

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	16,006	15,079
Tangible assets	12	1,111,668	1,531,934
		<u>1,127,674</u>	<u>1,547,013</u>
Current assets			
Stocks	13	25,856	39,024
Debtors	14	383,849	276,293
Cash at bank and in hand		616,600	478,132
		<u>1,026,305</u>	<u>793,449</u>
Creditors: amounts falling due within one year	15	(792,303)	(611,331)
Net current assets		<u>234,002</u>	<u>182,118</u>
Total assets less current liabilities		<u>1,361,676</u>	<u>1,729,131</u>
Creditors: amounts falling due after more than one year	16	(544,503)	(346,425)
Net assets excluding pension liability / asset		<u>817,173</u>	<u>1,382,706</u>
Defined benefit pension scheme liability / asset	23	(168,000)	549,000
Total net assets		<u><u>649,173</u></u>	<u><u>1,931,706</u></u>
Charity funds			
Restricted funds	17	-	-
Unrestricted funds			
Unrestricted funds excluding pension asset / liability	17	817,173	1,382,706
Pension reserve	17	(168,000)	549,000
Total unrestricted funds	17	<u>649,173</u>	<u>1,931,706</u>
Total funds		<u><u>649,173</u></u>	<u><u>1,931,706</u></u>

UNITY LEISURE

(A Company Limited by Guarantee)
REGISTERED NUMBER: 07555631

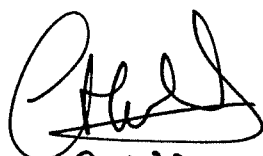
**BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

C J Holmes
Trustee



Date:

28th Sept '21

The notes on pages 16 to 37 form part of these financial statements.

UNITY LEISURE
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(33,585)	565,344
Cash flows from investing activities		
Purchase of intangible assets	(4,370)	-
Purchase of tangible fixed assets	(3,595)	(207,164)
Net cash used in investing activities	(7,965)	(207,164)
Cash flows from financing activities		
Cash inflows from new borrowing	350,000	-
Repayments of borrowing	-	(60,000)
Repayments of finance leases	(169,982)	(95,710)
Net cash provided by/(used in) financing activities	180,018	(155,710)
Change in cash and cash equivalents in the year	138,468	202,470
Cash and cash equivalents at the beginning of the year	478,132	275,662
Cash and cash equivalents at the end of the year	616,600	478,132

UNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Unity Leisure is a private limited company limited by guarantee and registered in England and Wales. Registered company number 07555631 and charity number 1145613.

The registered office and principal trading address is Unity House, 78 Robert Street, Northampton, Northamptonshire, NN1 3BJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the charitable company's operations. In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

The Trustees have not identified any further material uncertainties that may cast significant doubt about the ability of the charitable company to continue as a going concern. The charitable company's business activities, together with the factors likely to affect its future development, performance and position, its cash flows and liquidity position have been assessed. The charitable company has sufficient financial resources together with long term contracts for all of its six trading centres. The Trustees understand that the transactions that are required to be placed in our financial statements in relation to our pension fund are prepared in accordance with assumptions set by FRS 102 and produce a materially different set of figures than those produced by the pensions fund actuary for the purpose of calculating our actual share of assets and liabilities as well as those used to assess contribution levels. The Trustees also understand that, in accordance with the laws and regulations surrounding the operation of the pension fund, the recovery of any difference between the assets and liabilities on the fund will be agreed and set at each triennial valuation, and are based on a 20 year recovery period. As a consequence, the Trustees believe that the charitable company is well placed to manage its business risk successfully.

Based on these assessments and having regard to the resources available to the charitable company, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

UNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Membership fees

Membership fees are amounts payable to Unity Leisure on a monthly basis for usage of the leisure facilities. Details of the various membership categories and the benefits they offer can be found on our website at www.trilogyleisure.co.uk.

Centre fees

Centre fees are amounts payable to Unity Leisure on a visit-by-visit basis for usage of the leisure facilities. Details of opening times, activity tables and charges are all available on our website.

Management fees

Management fees are the fees paid by West Northamptonshire Borough Council for the operation of the facilities and the provision of a Sport and Play Development service.

Grants receivable

Grants are accounted for when conditions to entitlement have been met.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Job retention scheme grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 5 years
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2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold property improvements	- 5 - 25 years
Plant and machinery	- 5 - 10 years
Motor vehicles	- 5 years
Office equipment, fixtures and fittings	- 5 - 10 years
Computer equipment	- 5 - 8 years
Sports equipment	- 5 - 7 years

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and 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.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The 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.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

The Company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2021.

UNITY LEISURE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The 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 defined benefit pension scheme 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 23, will impact the carrying amount of the pension asset or liability.

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Membership fees	1,286,275	1,286,275
Centre fees	223,805	223,805
Sales	22,331	22,331
Miscellaneous income	167,466	167,466
Total 2021	1,699,877	1,699,877

UNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Income from charitable activities (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Membership fees	4,459,899	4,459,899
Centre fees	1,573,569	1,573,569
Sales	594,513	594,513
Commission	4,477	4,477
Miscellaneous income	52,065	52,065
Total 2020	<u>6,684,523</u>	<u>6,684,523</u>

5. Income from other trading activities

Income from fundraising events

	Total funds 2021 £
Fundraising	<u>-</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Fundraising	<u>21</u>	<u>21</u>

UNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Other incoming resources

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Kings Heath active England project	-	1,500	1,500
Street football project	55,469	-	55,469
Cinema	-	24,952	24,952
Play and sport development	-	6,281	6,281
Inspired coaching	-	230	230
Grant income	-	447,652	447,652
Peterborough gym	-	3,000	3,000
Job retention scheme	-	1,690,079	1,690,079
Total 2021	55,469	2,173,694	2,229,163

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Kings Heath active England project	-	5,311	5,311
Street football project	88,014	-	88,014
Cinema	-	1,054	1,054
Play and sport development	-	11,321	11,321
Inspired coaching	-	18,195	18,195
Total 2020	88,014	35,881	123,895

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Operational staff costs	55,469	2,672,555	2,728,024
Purchases	-	855,440	855,440
Staff costs - HQ staff costs	-	566,722	566,722
Bank charges	-	12,891	12,891
Insurance	-	49,250	49,250
Irrecoverable VAT	-	102,425	102,425
Other costs	-	380,715	380,715
Governance costs	-	9,106	9,106
Total 2021	55,469	4,649,104	4,704,573

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Operational staff costs	82,479	3,220,602	3,303,081
Purchases	5,535	1,835,458	1,840,993
Staff costs - HQ staff costs	-	849,020	849,020
Bank charges	-	17,816	17,816
Insurance	-	70,868	70,868
Irrecoverable VAT	-	191,510	191,510
Other costs	-	655,297	655,297
Governance costs	-	10,007	10,007
Total 2020	88,014	6,850,578	6,938,592

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	9,000	8,500
Fees payable to the Company's auditor in respect of: All non-audit services not included above	1,700	1,600

9. Staff costs

	2021 £	2020 £
Wages and salaries	2,897,889	3,548,788
Social security costs	165,018	209,553
Contribution to defined contribution pension schemes	231,839	383,760
	<u>3,294,746</u>	<u>4,142,101</u>

The average number of persons employed by the Company during the year was as follows:

	2021 No.	2020 No.
Management and administration	19	29
Operational	250	294
	<u>269</u>	<u>323</u>

UNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	-	2

The key management personnel comprise the Managing Director, the Finance Director, the Director of Performance, Planning Development and Operations and the Director of Health and Wellbeing Development Operations. The total employee benefits of key management personnel of the Charity were £236,705 (2020 - £378,978).

10. Trustees' remuneration and expenses

During the year ended 31 March 2021, no Trustees received any remuneration or other benefits (2020 - £Nil).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £Nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Intangible assets

	Computer software £
Cost	
At 1 April 2020	63,101
Additions	4,370
	<hr/>
At 31 March 2021	67,471
	<hr/>
Amortisation	
At 1 April 2020	48,022
Charge for the year	3,443
	<hr/>
At 31 March 2021	51,465
	<hr/>
Net book value	
At 31 March 2021	16,006
	<hr/> <hr/>
At 31 March 2020	15,079
	<hr/> <hr/>

UNITY LEISURE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Tangible fixed assets

	Leasehold property improvements £	Other fixed assets £	Total £
Cost			
At 1 April 2020	1,394,166	2,125,367	3,519,533
Additions	-	3,595	3,595
At 31 March 2021	1,394,166	2,128,962	3,523,128
Depreciation			
At 1 April 2020	551,775	1,435,824	1,987,599
Charge for the year	153,011	270,850	423,861
At 31 March 2021	704,786	1,706,674	2,411,460
Net book value			
At 31 March 2021	689,380	422,288	1,111,668
At 31 March 2020	842,391	689,543	1,531,934

13. Stocks

	2021 £	2020 £
Finished goods and goods for resale	25,856	39,024

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	185,661	47,546
Other debtors	6,435	-
Prepayments and accrued income	191,753	228,747
	<u>383,849</u>	<u>276,293</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loan	52,500	-
Other loan	30,000	30,000
Trade creditors	1,446	19,604
Other taxation and social security	50,120	75,652
Obligations under finance lease and hire purchase contracts	80,833	151,393
Other creditors	4,689	24,941
Accruals and deferred income	572,715	309,741
	<u>792,303</u>	<u>611,331</u>

16. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	297,500	-
Obligations under finance lease and hire purchase contracts	247,003	346,425
	<u>544,503</u>	<u>346,425</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	1,382,706	3,873,571	(4,439,104)	-	817,173
Pension reserve	549,000	11,000	(210,000)	(518,000)	(168,000)
	<u>1,931,706</u>	<u>3,884,571</u>	<u>(4,649,104)</u>	<u>(518,000)</u>	<u>649,173</u>
Restricted funds					
Restricted Funds - all funds	-	55,469	(55,469)	-	-
	<u>-</u>	<u>55,469</u>	<u>(55,469)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>1,931,706</u>	<u>3,940,040</u>	<u>(4,704,573)</u>	<u>(518,000)</u>	<u>649,173</u>

UNITY LEISURE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - all funds	1,325,859	6,720,425	(6,663,578)	-	1,382,706
Pension reserve	(295,000)	-	(187,000)	1,031,000	549,000
	<u>1,030,859</u>	<u>6,720,425</u>	<u>(6,850,578)</u>	<u>1,031,000</u>	<u>1,931,706</u>
Restricted funds					
Restricted Funds - all funds	-	88,014	(88,014)	-	-
	<u>-</u>	<u>88,014</u>	<u>(88,014)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>1,030,859</u>	<u>6,808,439</u>	<u>(6,938,592)</u>	<u>1,031,000</u>	<u>1,931,706</u>

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	1,931,706	3,884,571	(4,649,104)	(518,000)	649,173
Restricted funds	-	55,469	(55,469)	-	-
	<u>1,931,706</u>	<u>3,940,040</u>	<u>(4,704,573)</u>	<u>(518,000)</u>	<u>649,173</u>

UNITY LEISURE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	1,030,859	6,720,425	(6,850,578)	1,031,000	1,931,706
Restricted funds	-	88,014	(88,014)	-	-
	<u>1,030,859</u>	<u>6,808,439</u>	<u>(6,938,592)</u>	<u>1,031,000</u>	<u>1,931,706</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,111,668	1,111,668
Intangible fixed assets	16,006	16,006
Current assets	1,026,305	1,026,305
Creditors due within one year	(792,303)	(792,303)
Creditors due in more than one year	(544,503)	(544,503)
Provisions for liabilities and charges	(168,000)	(168,000)
Total	<u>649,173</u>	<u>649,173</u>

UNITY LEISURE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,531,934	1,531,934
Intangible fixed assets	15,079	15,079
Current assets	793,449	793,449
Creditors due within one year	(611,331)	(611,331)
Creditors due in more than one year	(346,425)	(346,425)
Provisions for liabilities and charges	549,000	549,000
Total	1,931,706	1,931,706

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(764,533)	(130,153)
Adjustments for:		
Depreciation charges	423,861	438,533
Amortisation charges	3,443	3,923
Decrease in stocks	13,168	1,768
Decrease/(increase) in debtors	(107,556)	44,765
Increase in creditors	199,032	19,508
Defined benefit pension scheme movements	199,000	187,000
Net cash provided by/(used in) operating activities	(33,585)	565,344

UNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	616,600	478,132
Total cash and cash equivalents	616,600	478,132

22. Analysis of changes in net debt

	At 1 April	Cash flows	At 31 March
	2020		2021
	£	£	£
Cash at bank and in hand	478,132	138,468	616,600
Debt due within 1 year	(30,000)	(52,500)	(82,500)
Debt due after 1 year	-	(297,500)	(297,500)
Finance leases	(497,818)	169,982	(327,836)
	(49,686)	(41,550)	(91,236)

23. Pension commitments

The Company operates a defined benefit pension scheme.

The charitable company operates a funded defined benefit scheme for the benefit of certain employees in conjunction with a local government defined benefit pension scheme. Entry to the scheme was granted through an Admission Agreement signed by the Pension Administrator, the Transferor (West Northamptonshire Borough Council) and the Trust. Under the terms of this agreement the accrued benefits at the time of transfer (1 April 2011) would be treated as fully funded and the contribution rate calculated on this basis. These figures were calculated using the assumptions in place at the time of 31 March 2010 revaluation.

The figures in these accounts have been calculated in accordance with the provision of Financial Reporting Standard 102. This method of calculation uses a different set of assumptions than the actuarial method described above. As such any surplus or deficit from an accounting perspective would not necessarily reflect the actual funding position using the valuation method. For this year's accounts the Trust opted to use a set of bespoke assumptions which have been agreed with the Fund's Actuary; Hyman Robertson LLP. These assumptions reflect better the Trust's circumstances which are subtly different from the main employers in the fund. These assumptions are consistent with the requirements of FRS 102.

UNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. Pension commitments (continued)

The assets of the scheme are administered by trustees in a fund independent from those of the charitable company. Contributions are made both by the employer and employee and are based on a percentage of pensionable pay. In addition the Trust makes a fixed sum payment to pay back any funding deficit. This is based on a 20 year repayment timeframe. In the year ended 31 March 2021 Unity Leisure paid an employers' contribution of £Nil (2020: £180,000) representing 0% (2020: 276.92%) of employee contributions into the Local Government Pension Scheme, which provides members with defined benefits related to pay and service.

Pension costs are assessed in accordance with the advice of a qualified actuary using the projected method. The most recent actuarial valuation of the scheme was at 31 March 2021.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 March 2021 %	At 31 March 2020 %
Discount rate	2.15	2.5
Expected return on scheme assets	2.15	2.5
Future salary increases	0.9	0.9
Future pension increases	2.55	1.6

	At 31 March 2021 Years	At 31 March 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	21.5	21.5
- at 65 for a male aged 45 now	22.3	22.3
- for a female aged 65 now	23.7	23.7
- at 65 for a female aged 45 now	25.1	25.1

The Company's share of the assets in the scheme was:

	At 31 March 2021 £	At 31 March 2020 £
Equities	8,481,200	6,415,860
Corporate bonds	2,059,720	1,749,780
Property	1,453,920	1,360,940
Cash and other liquid assets	121,160	194,420
Total fair value of assets	12,116,000	9,721,000

UNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. Pension commitments (continued)

The actual return on scheme assets was £2,534,000 (2020 - £-663,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	(210,000)	(357,000)
Interest income	241,000	275,000
Interest cost	(230,000)	(285,000)
Total amount recognised in the Statement of Financial Activities	(199,000)	(367,000)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	9,172,000
Interest cost	230,000
Contributions by scheme participants	53,000
Actuarial losses/(gains)	2,811,000
Benefits paid	(192,000)
Current service cost	210,000
Closing defined benefit obligation	12,284,000

Movements in the fair value of the Company's share of scheme assets were as follows:

	2021 £
Opening fair value of scheme assets	9,721,000
Expected return on assets	241,000
Actuarial gains/(losses)	2,293,000
Contributions by employer	-
Contributions by scheme participants	53,000
Benefits paid	(192,000)
Closing fair value of scheme assets	12,116,000

The Company expects to contribute £20,000 to its defined benefit pension scheme in the year ended 31 March 2022.

UNITY LEISURE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Operating lease commitments

At 31 March 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	92,000	92,000
Later than 1 year and not later than 5 years	335,500	368,000
Later than 5 years	47,250	106,750
	<u>474,750</u>	<u>566,750</u>

West Northamptonshire Borough Council provided the land and leisure centres at Mounts Baths and Danes Camp Centre for the use by the charity to operate sports centres, rent free, throughout the year and previous year. The land and buildings were provided under operating leases to 2041 respectively.

The land and buildings of Lings Forum was provided by West Northamptonshire Borough Council, rent free, under a service agreement.

The land and buildings of Duston Sports Centre was provided by Duston Parish Council, rent free, under an operating lease to 2027.

The land and buildings of Cripps Recreational Centre was provided by Northampton General Hospital, rent free, under an operating lease to 2025.

The leases of these premises are not capitalised as the charity does not have control over any of the premises due to various restrictions in the leases. Improvements to the sports centres are capitalised and depreciated over the period of the lease.

UNITY LEISURE

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25. Related party transactions

The charitable company has a funding agreement with West Northamptonshire Borough Council to provide leisure facilities within Northampton. West Northamptonshire Borough Council is a member of the company.

During the year the Trust made purchases from West Northamptonshire Borough Council of £29,953 (2020: £7,879) in relation to various Council provided services. As at 31 March 2021 included within creditors is an amount of £Nil (2020: £Nil) owing to the Council. Sales were made to West Northamptonshire Borough Council of £35,875 (2020: £59,222). As at 31 March 2021 included within debtors is an amount of £1,107 (2020: £1,107) owed by the Council.

In 2015/16, Unity Leisure borrowed £300,000 from West Northamptonshire Borough Council. The amount is repayable within 5 years. The Trust repaid £Nil (2020: £60,000) in the year leaving £30,000 (2020: £30,000) to be repaid. This amount has been included within creditors falling due within one year.

During the year the Trust made purchases from Northampton General Hospital, a member of the Company, of £Nil (2020: £42,369) in relation to utility recharges in respect of the Cripps Recreational Centre. As at 31 March 2021 included within creditors is an amount of £Nil (2020: £Nil) owing to Northampton General Hospital. Sales were made to Northampton General Hospital of £Nil (2020: £710). As at 31 March 2021 included within debtors is an amount of £Nil (2020: £Nil) owed by Northampton General Hospital.

During the year the Trust made sales to Age UK Northamptonshire, a member of the Company, of £Nil (2020: £3,910). As at 31 March 2021 included within debtors is an amount of £Nil (2020: £329) owed by Age UK Northamptonshire.

During the year the Trust made purchases and sales with University of Northampton, a member of the Company, of £Nil (2020: £1,482) and £Nil (2020: £8,288) respectively. As at 31 March 2021 included within debtors is an amount of £-144 (2020: £Nil) owed to University of Northampton.

During the year the Trust made sales to Northamptonshire Sport, a member of the Company, of £10,024 (2020: £1,517). As at 31 March 2021 included within debtors is an amount of £2,567 (2020: £-27) owed to Northamptonshire Sport.

As detailed in note 24 the land and premises used by the charity in the operation of sports centres are provided to the charity by the following members; West Northamptonshire Borough Council, Duston Parish Council and Northampton General Hospital, under operating leases at no charge to the charity.

During the year purchases of £Nil (2020: £1,513) were made from a company in which D Iles is a Director. The appointment of this company was made after ensuring the charges levied represented good value for money. An amount of £Nil (2020: £Nil) was owed at the year end.

During the year purchases of £7,450 (2020: £7,900) were made from a company in which A Riley is a Director. The appointment of this company was made after ensuring the charges levied represented good value for money. An amount of £Nil (2020: £Nil) was owed at the year end.

