

Everybody Sport & Recreation

Trustees' Report and Financial Statements

Period Ended 31st March 2021

Company Registration No: 08685939

Charity Registration No: 1156084

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Trustees, Directors, Principal Officers & Advisors

Everybody Sport & Recreation is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Company No. 08685939 Charity No: 1156084

Trustees

The trustees presently serving are:

Chair of the Board:

Andrew Kolker

Finance & Risk Sub Committee:

Philip Bland

Zoe Davidson

Christopher Gee

Customers & Partners Sub Committee:

Kimiyo Rickett

Harry Korkou

Richard Middlebrook

Alex Taylor

People & Governance Sub Committee:

Martin Hardy

Colin Chaytors

Suzie Akers Smith

Auditors

Crowe U.K. LLP, 3rd Floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Barclays Bank, 38 Market Street, Crewe, CW1 2ET

Company Secretary

Oakwood Corporate Services

Principal Officers

Peter Hartwell	Chief Executive
Kerry Shea	Executive Director
Thomas Barton	Executive Director

Registered Office: 3rd Floor, 1 Ashley Road, Altrincham, WA14 2DT

Principal Office: Brooklands, Holmes Chapel Community Centre, Station Road, Holmes Chapel, CW4 8AA

Chief Executive's Report

You would be forgiven for thinking there is not a lot to say about 2020..... even, that it is a year best forgotten. By rights this should be the shortest, least informative performance report we have ever produced in our seven years delivering health & leisure services to local people.

Within this last twelve months we have spent eight of them in total lockdown and the remainder operating under Covid-19 restrictions and a variety of operational constraints. Closed to the public, our once busy centres became quiet overnight, memorials to the success we had previously achieved.

If it's true to say that 'time flies when you're having fun', then this year has certainly proved the reverse of that saying is true too..... it has been a very long year.

And yet.....

If you read on, which I hope you do, you will see some remarkable achievements, despite all the uncertainty and frustrations of this most difficult year. All of which are testament to the calibre of people here at Everybody and a tribute to our customer's commitment and loyalty.

Whilst this performance is somewhat less than we have achieved in the past, it is only a pause, a brief interlude in our ongoing story and it will not hold us back as we reopen and recover.

For a while and on more than one occasion, it looked for all the world like we would not make it through. And yet.....

Little by little we have begun our recovery and as I write this, like many other charities and businesses, we are on our way once again - this time with a greater belief that we have survived the worst of it and there is renewed hope for the future.

This year's report is not the place then for KPI's or a detailed financial analysis. It is a time for a more human story, sharing the emotional cost of our survival and paying tribute to everyone involved in it. Importantly, it will look ahead to what will surely be better times, reflecting the optimism we all now feel.

Our priority throughout this year has been to protect jobs and public services. To ensure that, when the time came, when our facilities would be needed more than ever, we could reopen quickly and safely. To serve our customers once again and continue doing what we do best.

This we have done, and I would like to thank all our staff at Everybody for their understanding, perseverance and support throughout - they have all been through so much uncertainty about their jobs, their own family's futures, been in & out of 'furlough' on reduced pay, not to mention coping with the anxiety of the health risks

of the pandemic itself along with everyone else. All these challenges were met with good humour and patience.

Whatever part our staff have been asked to play, they have all played it well and we could not ask for more. Their personal and professional sacrifices have kept us viable, a 'going concern' our Auditors would call it, and I am grateful to them all for everything they have put up with to get us to today.

Our customers too have stuck with us. We have retained over two-thirds of our members and almost all our swim learners. This now gives us a firm foundation from which to reopen and the confidence to grow our offer once again. Without their loyalty and understanding, the future would now look very different and our recovery less assured.

Along with many other businesses we have received financial support from both Central and Local Government and this has been vital in protecting jobs and meeting our fixed costs. Without it, we would not exist and our charity would have become just another business failure caused by the pandemic.

Our Trustees have been hugely supportive, providing advice and guidance at critical times and I am indebted to them for the faith they have shown in Everybody and for simply being there throughout these most difficult of circumstances.

So, what have we actually been doing this year?

Despite having our centres closed, or maybe because of it, we have developed new service initiatives such as our online, live, instructor-led classes and a growing library of a wide variety of recorded content to view when it suits people best. This new service has proved extremely popular with our members and from the positive feedback we have had, it has been a welcome addition to our 'lockdown' offer.

This innovation will now be continued and is just one of what I am going to call our 'Covid-Keeps' - something positive we will continue to provide and develop further from here on..... something good at least to come out of the past year.

During the late summer / autumn of 2020, Cheshire East Council undertook a 'strategic review' of their Congleton development plans. In order to bring this long awaited ambition to fruition, we worked closely with the Council to agree a revised scheme with an improved facility offer, future-proofed for the town as it too grows over the years to come. Construction will start later this Spring (2021) and the new building will open to customers by the Autumn of 2022. Now that is something to look forward to after so many years on the drawing board.

There is much to look forward to then and much still to do. There will soon come a day when we will be back to normal, doing what we do best - helping local people live well and for longer.

This year has been a difficult one for everyone, a time when we were 'forcibly' separated from each other.....but with the trials of this shared experience largely

behind us now, we are all more bound together than ever before. And that's how it should be!

This renewed sense of camaraderie and togetherness, borne out of adversity, will be another of our 'Covid-Keeps' too, I'm sure.

Best wishes to everyone then and good luck to Everybody from hereon.

Best wishes,

Peter Hartwell

CEO Everybody Sport & Recreation

Trustees' Annual Report & Strategic Report

About Us

Everybody Sport & Recreation is a registered charity and a company limited by guarantee, we re-invest 100% of our surplus back into our local communities.

We are responsible for delivering leisure services and public health initiatives in partnership with Cheshire East Council, Holmes Chapel Parish Council, Alderley Park Limited/Bruntwood, Newcastle-under-Lyme Borough Council, The Madeley Centre and Bollington Health & Leisure.

Our key services include:

- 16 leisure facilities
- Everybody Fitness membership scheme
- Everybody Learn to Swim scheme
- Everybody Healthy – a range of health and wellbeing programmes and initiatives to support people in our communities
- Sports development service including key programmes such as Talented Athlete Support Scheme, Volunteer Programme, Club & Coach Development, Bikeability and more
- Everybody Academy – specialist leisure training provider delivering a range of training and development opportunities including volunteering, apprenticeships and work placements
- Taste for Life Catering – onsite cafés in local Everybody leisure centres in Cheshire East, cafes in leisure facilities operated by others, business and event catering as well as children's party catering
- Everybody Options concessionary discount programme
- Everybody Personal Training programme
- Everybody Foundation – a charity (Registered Charity No. 1174873) that raises funds to support individuals and groups to promote a healthy and active lifestyle.

Strategic direction is provided by the independently appointed Board of Trustees. The Board has ultimate responsibility for the governance of the Trust and supports the management team to deliver their strategic aims.

There are 11 Trustees on the Board, all of whom are local volunteers with a wide variety of professional backgrounds from various sectors. They bring a wealth of expertise and experience to help shape and improve our services.

Where we work

The majority of our work is in Cheshire East, in the communities surrounding our 16 leisure centres. We also operate three cafes in other leisure facilities.

The map below illustrates where our sites are situated. Fifteen, including two in each of Crewe, Holmes Chapel and Nantwich, are situated in Cheshire East with one in Newcastle-under-Lyme borough.



Cheshire East has an estimated current population of 378,800 (Cheshire East Council website). This has risen from 370,127 at the last Census (2011).

Cheshire East is noted as having an aging population. According to the Cheshire East Local Plan (paragraph 1.27) there will be a 65% increase in the population aged 65 and above and a 134% increase in the population aged 85 and above by 2030.

The overall population is also expected to increase, due to new housing provision. The overall growth proposition is to deliver at least 36,000 new homes which forecasts an increase in the borough's population of around 58,100 people by 2030.

Getting more people physically active

Supporting people to be more physically active is a key aspect of what we do. Whilst we have a major part to play in this, we work collaboratively with local partners including Cheshire East Council, Holmes Chapel Parish Council, The Madeley Centre, Bollington Health & Leisure, numerous health partners, local officers from sports national governing bodies and Active Cheshire to address this issue. We

also work closely with a number of national partners including ukactive, CIMSPA, Sporta and Health Innovation Network.

In the latest survey, released in April 2021 but covering the 12 months from November 2019 to November 2020, the level of activity seen across Cheshire East is higher than it was last year. Whilst the national, regional and nearest neighbours have seen a reduction, those meeting the Chief Medical Officer's recommended 150 minutes of physical activity has increased by 5.4% in Cheshire East – this equates to 17,015 more people than the previous year.

Table 1 – Level of Physical Activity (Source: Active Lives – April 2021)

Area	Inactive (<30)	Fairly active (30-149)	Active (150+)
England	27.1% (+2.6%)	11.5% (-0.7%)	61.4% (-1.9%)
North West	29.5% (+3.8%)	11.4% (-0.5%)	59.1% (-3.3%)
Cheshire East	23.7% (-1.2%)	9.1% (-4.1%)	67.2% (+5.4%)
Cheshire West	24.7% (+1.7%)	11.6% (-0.1%)	63.7% (-1.6%)
Warrington	30.6% (+4.5%)	10.3% (-4.6%)	59.2% (+0.1%)

Within our centres, participation uptake has been good, at the times when we have been open. Given the unprecedented times and restrictions, we haven't really been able to compare to any other period. The Active Lives figures, seen above, clearly shows that the community of Cheshire East has reacted and adapted well to being physically active during the pandemic. Our facilities and services have played their part in this.

As with similar businesses, despite having frozen all payments, we have seen a considerable number of our members cancel their memberships. As things hopefully begin to return to some sense of normality, we will look to encourage the lapsed members, as well as new ones, to enjoy our facilities and use them as a way to be more physically active.

Vision

At Everybody, we don't just believe in getting more people more active, more often – that goes without saying! In order to make a real impact on the health and social issues affecting our communities, we need to target our efforts and our service offer.

Only in this way can we make participation in leisure and recreation an important part of everybody's day to day lives, whatever their ability or need.

Leisure for Life

Our simple vision of providing 'Leisure for Life' requires us to help people live a healthy life of course. It also seeks to make participation in any recreational or leisure activity an enduring habit from the earliest years to later life.

Helping people to live well and for longer

We also have a long-term shared vision with Cheshire East Council, 'helping people to live well and for longer', to emphasise our commitment to positively impacting the health of everyone in the borough of Cheshire East.

By achieving our vision of 'Leisure for Life' we will be making a major contribution towards helping people to live well and for longer.

Values

In order to build on our successes to date, and have an even greater impact on our mission and strategic aims, we will need to continue to work with our values at the heart of all that we do.

These values have guided our thoughts and actions since May 2014 and are the foundation of our way of working.

Fit for the Future	We will give everyone the opportunity to train and enhance their skills by encouraging people to develop themselves and others. Creating and promoting 'careers in leisure'.
Working as one	We will all work to the common goal of providing 'leisure for life' and support each other in all we do.
Trusted and honest	We respect and value the input of every person and at all times act with integrity and respect.
In the service of others	We will provide first class facilities and services that are well maintained, inviting and valued by our customers.
Free to do our Best	Our culture and business processes will support people to act on their own initiative – with innovation being recognised and rewarded.
Caring for all	We will actively seek to involve everyone in all communities, working in partnership and with a passion for people.

We are proud of not only what we have achieved but also 'how' we have achieved it with everyone committed to the organisation's values.

We will continue to engage with our people at every opportunity to ensure all are engaged and supported in a positive manner.

Key Achievements

This section highlights both our key challenges as well as our achievements over the past year. Despite it being the most challenging year that our business has had to face, it has made us focus on our people and our communities and to ensure that we will be ready to build back stronger and more stable than ever before.

Opening & Closing Facilities

Back in March 2020, we closed our buildings and this closure extended through to 25th July. We undertook a phased reopening plan that extended through August and early September. Further periods of closure followed for Lockdowns 2 and 3 in November 2020 and late-December 2020 and stretching through to April 2021.

During these periods of closure, we maintained routine daily building checks across all sites and also facilitated a variety of activities including:

- Supported preparations for local authority partnership emergency response plans – worked with the Bronze Cell to ensure emergency rest centres, alternative facility use and re-purposed buildings could be deployed if necessary.
- Repurposed and staffed one site into a Food Distribution Centre for the region
- Mobile testing units – we worked with the Army, Council and highways agency to offer 6 different sites across the borough. The site at Knutsford was regularly used for 3-4 day blocks throughout 2020.
- Opened Crewe Lifestyle Centre for restricted use during lockdowns 2&3 as required; including children's safeguarding and adult social care services.
- Opened sites to enable vital blood donation services to continue.

Staffing

To protect the business we fully maximised use of the furlough scheme, with 97% of our staff on furlough at one point.

- Redeploying staff to support local authority activities – Over 250 staff offered to support local initiatives during lockdown 1.0. We worked with the local authority to offer a variety of skills from our furloughed workforce throughout lockdowns and staff undertook alternative duties including supporting the local test and trace service.

- A number of our furloughed staff volunteered to support local pharmacies with the vaccine roll out during lockdown 3.0.
- Schools testing – 19 of our staff supported 5 different schools/academies in March 2021 to enable secondary school children to be tested on site.

Memberships

The pandemic, and extended periods of closure associated with it, have been a challenging time for everyone. During this period, over a third of our members cancelled their membership, however we are confident of attracting these members back to us once we reopen fully.

Everybody @ Home

To support our community and specifically the fitness members, we delivered online health and fitness classes on Facebook Live, YouTube and then funded and developed our own website 'Everybody @ Home' to keep people in Cheshire East moving whilst our centres were closed and beyond! From April-July 2020, 5,502 members joined our Facebook group, 387 classes went live with over 7,699 live viewers!

The Everybody @ Home website classes were a vital resource to people during all of the lockdowns and by February 2021 we reached over 5,000 views on our live streams with 35 live classes per week, plus pre-recorded on demand content and recruited over 2,000 subscribers to the website.

To make sure we were reaching as many people in our community, particularly young families and children who were missing out on vital daily exercise due to closures of schools, we teamed up with a local nursery facility in Alsager. We provided Dance Fit classes on Everybody @ Home to pre-school children who watched on a huge iPad and danced for 1 hour a week during January 2021.

As well as this, our Sports Development team recorded family-friendly physical activity videos, including fun games to do from home which were shared on our social media channels, in member newsletters and with Cheshire East Council wellbeing networks.

We have had many customer good news stories from our Everybody @ Home service including NHS workers who have been working tirelessly throughout the pandemic access our online fitness classes. Member Emily Jenkins shared,

"Thank you to all the instructors who have made videos of their fitness classes. I work in A&E so I'm sure you can imagine my shift patterns are all over the place! So being able to access the videos at any time is great as I'm generally at work during the classes. Your time and effort is really appreciated, thank you."

Winter Wellbeing Talks

During the winter months (November 2020– January 2021) we launched Winter Wellbeing Talks on our Everybody @ Home website with the Master Fitness Leads and Health Innovation Team. We discussed topics such as fighting viruses by boosting your immune system through exercise and healthy living, women's health, men's health and healthy eating and good nutrition.

These talks were also then shared with Cheshire East Council and their staff with wellbeing drop-ins on Microsoft Teams.

Health Innovation

We contacted over 200 people each week, by telephone, that were registered on our targeted health programmes and connected in with Cheshire East Council to sign post people to the Community Shield Scheme (People supporting People) where appropriate. These calls have continued for the last 12 months and offered vital support to our customers usually accessing our falls prevention classes. Our Health Innovation Team have dedicated their time to telephone our most vulnerable customers every week making over 4,000 calls from April 2020 and continued until June 2021, when the health service resumed and members were welcomed back.

The calls check on the customers welfare and gave them important wellbeing advice on how to keep moving and active in the safety of their home as well as signposting to vital health services in Cheshire. We even had one of our IT team getting a lady set up with zoom calls so she could surprise and speak to her grandchildren who lived far away! The calls became vital to our elderly community with some members saying it was a 'lifeline' during long periods of isolation in 2020.

Joan Sheard from Holmes Chapel, aged 87 shared in April 2020

"These calls make such a difference, just hearing from someone not in the family lifts the spirits and gives a conversation starter with friends from the health class."

Margaret Andrew from Knutsford aged 79, shared in April 2020

"Wonderful to hear from the team and hear news which is not just from family members, will be giving Youtube a go!"

ESCAPE-Pain

At the beginning of the pandemic, we switched ESCAPE-Pain delivery to a virtual programme offer, working with our commissioner the Health Innovation Network, South. We delivered two virtual cohorts, 10 participants, which saw clinical improvements in pain, function, mental wellbeing and quality of life. In comparison to the face to face programme, there was low uptake and appetite for a virtual offer, with participants wanting to wait until face to face resumed. We are in the process of submitting a business case to the NHS Cheshire CCG for ESACPE-Pain to

be a commissioned service, which includes both face to face and virtual offering, increasing accessibility to the programme.

Mental Health Awareness Week 2020

In May 2020, we supported Mental Health Awareness Week by providing mind and body virtual live fitness classes and meditation sessions on our social media channels as well as sharing important messages about looking after your mental health during Lockdown 2020.

Stress Awareness Month 2020

During stress awareness month in April 2020 we provided our members with blogs, email campaigns and social media posts filled with tips and advice on how to manage stress and adapting to working from home. This also included advice on the importance of exercise and healthy eating to reduce stress.

Case Study – Disability Cycling

In January 2021, we launched disability cycling sessions in Macclesfield and Crewe for children and their families. 176 children took part in 2 hour sessions and gave much needed respite care for parents, carers and families. Some children had never ridden a bike and can now cycle the whole athletics track!

The cycling sessions were popular and well received by the families. It was an opportunity for the young person to do some fun physical activity and interact with the coaches and other cyclists. We also noticed more families coming to the sessions as an opportunity to get out of the house, meet other families as well as doing some physical activity themselves.

Demand for the cycling sessions was so high as there were no other face to face activities running across the borough that after a few weeks we had to increase to 3 sessions per venue. The Macclesfield sessions were fully booked within a couple of hours of the session becoming available.

Phil Robinson, a parent from Disley attended the Macclesfield disability cycling session and shared,

"The [inclusive cycling] session was great and the boys are really keen to come back. Doing the cycling sessions during Lockdown has done them a world of good, both physical exercise and mental wellbeing. I think that the boys enjoyed the freedom to try different bikes and work on their skills."

Investment

Despite the pandemic, momentum has continued with further significant investment into a number of our sites. These have included:

Macclesfield Leisure Centre

The final parts of the £4million investment scheme were completed. The sites now benefits from an improved and extended gym, village changing, a spa and steam room, a dedicated group cycling studio, refurbished exercise studio and an improved reception. The benefits are starting to be realised with a much improved user experience at the centre.

Barony

The project was completed with the addition of the perimeter fence to make the site safe with the view of increasing the number of events being held. This was in addition to the internal works carried out last year. The anticipated benefits of additional events has yet to be realised due to the pandemic but will be an area in focus once restrictions are lifted.

We have continued working closely with Cheshire East Council, and increased the planned investment to £17million through the Council's Medium-term Financial Strategy. The investments into Knutsford, Middlewich, Nantwich, Poynton and Wilmslow are built on a financial model that the increased usage at each facility will repay the cost of the investment. The capital programme will improve facilities and services across a variety of communities.

During the periods of closure, a number of planned preventive maintenance works were prioritised enabling a number of projects to take place at times to cause the minimum of impact to users.

Environment

Considering the environment is a key aspect to building an ethical and sustainable business, the Everybody Environmental Steering Group, with representatives from all centres, monitor current performance and input ideas into our future environmental commitments. They are responsible for the delivery of the Environmental Policy and sharing learnings with colleagues.

Along with Cheshire East Council Assets Team, we look at ways we can reduce energy usage. This includes investing in modern systems that use less energy and training staff in how to best utilise all systems to ensure optimal energy performance. In line with this, a joint key performance indicator has been agreed – energy usage per visit. The period of closure has given more opportunities to work together on projects that provide more benefits but wouldn't usually be possible without causing considerable inconvenience to our users.

Everybody Academy

With the vast majority of face-to-face training and external courses cancelled due to the pandemic, 2020/21 has been very challenging as we worked to support staff and prepare them for working in very different conditions.

Throughout 2020/21 we worked closely with our partners at the RLSS UK and Swim England / IOS to ensure that we were aware of all required changes to qualifications and delivery. RLSS negotiated a number of extensions to lifeguard qualifications to ensure that staff did not lose their qualifications during lockdown periods. They also issued revised guidance on the delivery of training and qualifications once we were able to reopen.

Our normal programme of lifeguard and first aid courses were virtually all cancelled during the year. We did manage to deliver two lifeguard courses during October to 23 candidates. Changes were made to the delivery of the course and some elements of the course to ensure that we complied with all Covid regulations while still covering all required areas of the course.

The Everybody e-learning portal has become integral to the ongoing delivery of learning for Everybody employees while the facilities are closed as well as allowing us to deliver additional learning when we are open.

We designed, wrote and implemented the following e-learning courses specifically due to the pandemic and to support our staff and their return to work:

- Coronavirus Advice
- Covid Return to Work (& Update)
- Manager Covid RTW
- First Aid – Covid-19
- Working From Home During Isolation
- NPLQ Ongoing Training (2 modules)
- Return to the Pool (swim teacher training)
- 2020 Employee Timesheets

Apprenticeship Programme

We had originally hoped to recruit up to 10 new apprentices to start with us from September 2020 in a variety of roles. We conducted a highly successful assessment day at Holmes Chapel Community Centre for a number of roles the week before lockdown. This recruitment was put on hold following the extended lockdown.

Despite hopes that apprentices would be able to start with us in early 2021 we were not able to start their roles until May 2021.

Our fifth cohort of apprentices were originally due to complete their apprenticeships in March 2021. We worked closely with our training providers to deliver training remotely. However, the majority of our apprentices in this cohort had to be placed

on hold as work, essential courses and experience on site was not possible. We are now working hard with them to complete as soon as possible this year.

We are now in the process of recruiting our 7th cohort of apprentices who will start with us in September 2021.

Taste for Life

This year has been a particularly tough time for the hospitality industry and Taste for Life cafes are no different. Even during periods when the centres have been open, it hasn't always been viable to provide a café offer.

Our leftover stock did not go to waste as it was donated to the local community in the form of:

- Donations of food & drink stock and support to the community shielding distribution centre in May 2020. We donated over £5,000 of supplies to the centre in Shavington from our Taste for Life stock. Our operational team opened the leisure centre to support the volunteers and multi-agency teams delivering essential supplies to local people between April and July 2020.
- Donations of catering supplies to NHS and food banks in June 2020. We donated large amounts of vending stock to Macclesfield Hospital for key workers to recharge on their breaks during such long and challenging shifts.

We also donated supplies to food banks in Macclesfield and Crewe.

Staff Awards

Given the pandemic, we were not able to hold our annual Staff Awards ceremony. However, it was still imperative that we recognised team achievements, the contribution of individuals, the long service of our staff and many dedicated volunteers. Awards were made to following individuals/teams.

Long service awards

20 years: Lyndsey Walters, Lionel Willshaw, Christopher Garton, Howard Griffiths and Christine Murphy

30 years: Claire Cliffe and Andrea Taylor

40 years: Steve Parkinson

Coach of the Year – Victoria Barker

Innovation of the Year – Aquatics Team

Fundraiser of the Year – Sandbach Leisure Centre Team

Manager of the Year – Becks Snelson-Black

Team of the Year – Everybody @ Home / Everybody MemberZone

Team of the Year Silver Award – HR Team

Team of the Year Bronze Award – Building Checks Team

Learner of the Year – Louise Elleray

Employee of the Year – Chris Mottershaw

Employee of the Year Silver Award – Genevieve Caddick

Employee of the Year Bronze Award – Phil Marmion

Customer Hero – Ryan Dutton

Special Recognition Award – Katie Harrop

Chairman's Award – Sandbach Leisure Centre

Trustees

Everybody Sport & Recreation is governed by a Board of up to eleven Trustees. These trustees are appointed by the current Board who take into account a skills matrix and ensure a range of skills and representation from all communities. This is achieved in one of three ways:-

- Any individual, based in or operating in Cheshire East is eligible for nomination to the board of trustees.
- Trustees try to ensure ongoing appropriate skills and gender balance, where any gaps are noted they seek to appoint appropriate skills through an application process.
- Occasionally the trustees may co-opt individuals with relevant skills to strengthen the Board.

All of these appointments are then ratified by Trustees at the Annual Retirement Meeting.

The day to day management and running of the charity has been delegated to the Chief Executive and other appointed managers.

The executive management team comprises:

Peter Hartwell	Chief Executive
Tom Barton	Executive Director
Kerry Shea	Executive Director

Governance

Governing Document

Everybody Sport & Recreation is a company limited by guarantee and a registered charity governed by its memorandum and articles of association, incorporated in England and Wales.

Trustee Induction and Training

All trustees receive an induction into Everybody Sport & Recreation and receive the appropriate paperwork. During the year the paperwork has been renewed to assist both new and established trustees. In addition, we have embarked on a programme of development including the arrangement of CPD workshops and away days for trustees. These sessions focus on governance issues for trustees including finance, structure and strategic planning.

The Trustees follow wherever applicable the Charity Commission best practise and follow a full internal governance process based upon all elements of the Charity Commission Governance Code.

Board and Sub Committees

Each Trustee holds a place on one of three sub-committees, People and Governance, Finance and Risk and Customers and Partners, these sub committees take a detailed look at certain areas of the business each quarter and then take reports regarding these areas to the full Board meeting, which takes place every three months.

Statement of Trustees Roles & Responsibilities

The trustees (who are also directors of Everybody Sport & Recreation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Public Benefit

The Trustees of Everybody Sport & Recreation have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. All activities have been undertaken to further Everybody Sport & Recreation purpose to ensure the promotion and preservation of good health, including but not limited to through community participation in healthy recreation. Activities are not arranged to provide any financial return to members.

Reserves Policy Statement

Reserves are the resources that a charity has, or can make available to spend, for all of the charity's purposes. The SORP explains the term "reserves", it describes them as that part of a charity's funds that are freely available.

The Charity Commission guidance CC19 explains that designated funds should be considered when reviewing the charity's reserves, although these are not part of the general reserves. Funds need to be properly designated for a defined purpose, which should be explained in the notes to the accounts.

Prior to the COVID pandemic the Trustees had reviewed the Trust's reserve policy and have concluded to aim to hold enough free reserves to ensure that the Trust is able to continue all operations and services for a short period should a significant part of our income not be realised. Our current unrestricted reserves at the end of

year six has reduced from £312,173 to £275,111, with our unrestricted designated reserves position moving from £285,917 to £135,255.

The COVID pandemic has made us financially more prudent and has led to us revisiting the amount that we would like to hold in Reserve. We are now aiming for a reserve position of £1.85m which we are predicting will be reached end of year eleven (2024-25).

While the operation of the defined benefit pension scheme does create a financial risk for the organisation, any deficit or surplus in the scheme can be managed over the medium term and so has no immediate impact on our cashflow requirements. Any Exit Contributions paid by the Contractor (Everybody) will be funded by Cheshire East Council through the Management Fee, where an Exit Contribution is paid and there is no future Annual Payment due, the Authority shall make an appropriate additional payment to Everybody. Any risks associated with changes in the level of pension scheme assets and liabilities are therefore disregarded for reserves policy purposes.

Whilst Net Current Liabilities have increased by 320,890, it should be noted that "Cash at bank and in hand" has increased by 617,581 primarily due to the receipt in March 2021 of the full year's entitlement to National Leisure Recovery Fund (NLRf) grant. This is offset against an increase in "Creditors: amounts due within one-year" of 977,096. The reasons for this increase are detailed in Note 14 although it is worthy to note two particular and unique transactions of 650,542 in respect of the deferred NLRf grant and 161,480 relating to additional Annual Membership income deferrals created by site closures due to the extended periods of closure in 2020-21.

Risk Management

The Trustees are fully aware, and take very seriously their responsibility for identifying, assessing and managing the risks of Everybody Sport & Recreation. Risks are identified by the Executive Management Team and reported via the Risk Register to the Trustees.

There are several principal risks and uncertainties. The level of the management fee paid to Everybody Sport & Recreation by Cheshire East Council, this fee is negotiated every year and ongoing efficiencies are expected. IT system failure, the IT systems are large and complex with manual interfaces between systems, we have set up a designated fund in order to reduce the risks in this area.

The Risk Register is considered on a quarterly basis by the Finance and Risk Sub Committee, the likelihood of the risk occurring, the impact of such a risk and any mitigating action required/taken is considered and risks scored then RAG (Red, Amber, Green) rated.

Red/High Risks are reported to the full board. The subcommittee take a fully detailed review of every risk on the register on an annual basis.

Principal Risks	Current Controls & Mitigating Actions	Future Action Plan
Major Capital investment plans withdrawn or scaled down, results in major service disruption or unachievable targets	Capital investment complete at Crewe, Sandbach, Alsager. Macclesfield and Congleton in the pipeline.	Continue with the "Five Towns Business Case" to secure future membership growth which will continue to promote "Leisure for Life"
COVID - 19 Restrictions continue to disrupt member/customer confidence	Advertising results from customer confidence surveys - 4.8/5 ensure that facilities are clean and hygienic	continue current cleaning regime and following all social distancing guidelines
COVID - 19 outbreak resulting in more site closures	All sites adhere to all government and governing body requirements and guidance - Safety first policy in place in every operational decision	Continue with safety first approach
Changes to Council commissioned services resulting in loss of service, reputational and financial impact	Fixing the management fee to reflect contractual commissioned services means any changes will require extensive public consultation.	Reputational consequences will be managed through Everybody's communication plans with Cheshire East Council leading on it's policy changes.
Inaccurate or inadequate financial information resulting in poor decision making	Strengthened finance team with two new staff who now work closely with sites. New financial system went live April 2017.	Improved reporting made on a more timely basis. Budget holders can "self serve" and key areas of the

		business are kept under close scrutiny.
Inadequate pension planning results in additional costs and recruitment issues	Current arrangements with LGPS in place, fully funded by Cheshire East Council	Three year revaluation funded by Cheshire East Council – increase of £175k per annum. Negotiations underway with Cheshire East BC for a "pass-through" agreement, similar to other Council Alternative Service Delivery Vehicles

Financial Review

Investment Powers, Policy and Performance

The policy of Everybody Sport & Recreation has been to invest surplus funds in the growth of the business. We aim to carry sufficient cash in the banks' current or higher interest deposit accounts to fund its predicted working capital requirement.

Surplus funds will be deposited in our Reserves Account or in a high interest fixed term bond. This meets the objective of a higher return than average deposit accounts, without risking the funds, while maintaining maximum flexibility to fund new projects. The trustees are mindful of the current low interest rate return on cash deposits and their potential to fall below inflation levels thereby eroding reserves.

Results for the Year

Everybody Sport & Recreation's finances have shown a second concurrent year of deficit which relates wholly to the COVID-19 pandemic. Throughout the three lockdowns our membership figures dropped from almost 20,000 to under 12,000, all customer income streams were frozen or stopped, leaving us to rely heavily on support from Cheshire East Council, funding from the furlough scheme and National Funding Schemes such as :- National Leisure Recovery Fund and Business Rate Relief.

Our overall income figure is £16,104,077. This includes £4,422,735 in respect of Donations for the use of the Leisure Centres which remain under the ownership of Cheshire East Borough Council and Holmes Chapel Parish Council. In addition, £3,925,967 refers to income received from Cheshire East Borough Council under our Operating Agreement and through additional COVID support, £4,571,071 was received from the Furlough Scheme, the Local Support Grant saw us receive £505,567 and the National Leisure Recovery Fund allocated us £251,000 in year. Income of £2,239,383 was received during the year from customers to our centres and through delivering our contracts, £38,399 trading income was received from our social areas and our investment income in year was just £241.

The Unrestricted activities for 2020-21 also shows a total income of £16,104,077. Outgoing resources totalled £16,855,801 for the year, leaving us with a Net Unrestricted Expenditure of £751,724 for our seventh year of operation. This Expenditure involves a notional pension service cost of £564,000, when this is removed, we are left with a net operating unrestricted deficit of £187,724, which is a disappointing position but is entirely due to the COVID pandemic.

Everybody Sport & Recreation's Restricted Funds received no income within the year and incurred no expenditure.

The total Unrestricted Funds as at the end of 2020-21 are £275,111 excluding our designated funds, which equate to £135,255 (as detailed in Note 16).

Going Concern

The principal risks and uncertainties that the trustees see as facing the charity are related to a continued decrease in the number of active memberships within the business being unable to support the necessary associated business costs. During 2020-21, these business costs were controlled extremely tightly to preserve cash balances. External financial support from local and central government also played a significant role in this process.

Membership income is steadily increasing, and costs are still being tightly controlled. External funding is available if it should be required, and this is regularly debated between the Trustees and the Executive Management Team.

Note 1.02 further details the Accounting Policy used whilst preparing this set of Accounts in respect of being a Going Concern.

Funding Sources

Everybody Sport & Recreation's principal funding sources for 2020-21 were Cheshire East Council and the Job Retention Scheme.

Our operating contract with Cheshire East Council; this contract refers to the operating of 14 leisure centres across the Cheshire East area until 2029. During 2020-21 this accounted for £3,925,967 including support service costs.

Everybody Sport & Recreation Annual Report and financial statements for the year ended 31 March 2021 have been prepared by the trustees in accordance with the Charities Act 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" issued in 2015 and updated in 2018, in preparing the annual report and financial statements of the charity.

Key Management Personnel

An external company carries out individual job evaluations on each of the Key Management roles, this evaluation includes benchmarking against comparable positions and similar organisations. These results are considered by the People and Governance Sub Committee and a level of remuneration is recommended to the full Trustee board for their approval.

Fundraising Activities

The charity had no fundraising activities requiring disclosure under S162A of the Charities (Protection and Social Investment) Act 2016

Related Parties, Partnership Working and Network

The Charity supports many Sports Clubs, Community Groups and Voluntary Organisations with advice around funding, volunteer management and best practice guidance. Everybody Sport & Recreation support of grassroots clubs benefits the wider community by opening up the opportunities for people to access sport and recreation activities.

Cheshire East Council are a significant partner and contributes to the delivery of sporting facilities in Cheshire East by providing funding to Everybody Sport & Recreation in the form of a Management Fee. This funding also supports the sports development work, by enabling children and adults to take part in sporting events out in the community.

Everybody Sport & Recreation also holds a 23 year lease on a facility at Holmes Chapel which is owned by Holmes Chapel Parish Council, and a 10 year lease on Alderley Park facility which is owned by Alderley Park Limited. This is in addition to the facilities which are operated from and are owned by Cheshire East Borough Council.

Everybody Sport & Recreation participate in several key and strategic partnerships representing the interests of our customers, and the wider Sport and Recreation arena. At a national level Everybody Sport & Recreation is a member of Community Leisure (the national association of leisure and cultural trusts formerly known as "Sporta") and UK Active.

Strategic report

The principal activities of the company in the course of the year are referenced in the Key Achievements section (page 11) of the Trustee's Annual and Strategic Report.

The future developments for Everybody Sport & Recreation are referred to in the Chief Executive's Report and the Trustees Annual and Strategic Report.

Everybody Sport & Recreation has made no political donations or incurred any such expenditure during the financial year.

The Risk Management Statement is shown on page 34 of the Trustees Annual and Strategic Report. No hedge accounting is used by the company.

The leisure industry is not particularly price sensitive, people choose their provider on a number of different factors, price being one but also quality of offering, range of classes, location, customer service and breadth of facility (e.g. squash swimming pools etc.). Cashflows are monitored weekly and as many of our customers pay in advance, Cashflow, and therefore liquidity risk, is easily controlled.

Employee expenditure is the largest portion of cost for Everybody as we operate in a service industry arena, as such our employees are very important to the growth and development of our business.

At Everybody, we encourage new applications from disabled persons into both paid employment and volunteer roles, we have a robust equal opportunities policy, and all managers within Everybody are trained in following and embedding this policy not only for new employees but also for current employees that may become disabled during their current service with us.

We have a budget for equipment adaptations and additional training that may be required for staff that become disabled to allow them to continue in their current role. Should continuing in their current role no longer be viable then solid alternative internal positions will be sought, following consultation with the individual involved and looking at each person's individual circumstances.

At Everybody, one of our strategic aims is to "Develop our people to be the best" and we strive to achieve that with all employees regardless of disability.

We provide employees with information on matters of concern to them as employees, in a number of ways.

Firstly, on an individual basis, all employees attend monthly team meetings with their line manager, have a bi-annual Performance Development Review where they are encouraged to make suggestions for their development (for example request further training or mentoring etc), and regular 1-2-1's with line managers.

Secondly as a whole organisation we have a monthly staff newsletter that is provided to every employee and all employees are encouraged to suggest content, we also hold six-monthly staff presentations to which all employees are invited and involves presentations by the chief executive and Senior Management Teams followed by an open Question and Answer session to which all staff are encouraged to contribute.

To ensure that employees have representation we have established a "Developing Everybody Group" that is made up from representatives from all areas of the business at all levels. This group comes up with ideas, initiatives and holds its own budget to be spent with the remit of 'all employees benefit'.

To encourage the involvement of employees in the company's performance we have implemented a Sharing in Success Scheme, this enables employees to all receive a payment should the company make a surplus.

The Directors at this time can confirm:

- a) so far as the Directors are aware, there is no relevant audit information of which the company's Auditor is unaware, and
- b) they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's Auditor is aware of that information.

This report, which incorporates the Strategic Report, was approved by the Trustees on 8th December 2020 and signed on their behalf by Andrew Kolker.



Andrew Kolker - Chair, Date: 7th December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERYBODY SPORT & RECREATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Everybody Sport and Recreation Limited for the year ended 31 March 2021 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and employment legislation.

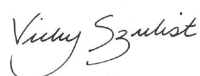
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing from contract documentation, sample testing of membership fees from the membership database and one-off sale income from till reports.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

16th December 2021

Statement of Financial Activities period ended 31 March 2021

	Notes	Unrestricted Funds	Restricted Funds	2020-21	2019-20
		£	£	£	£
Income:					
Donations and Legacies	2	4,422,735	-	4,422,735	3,359,880
Charitable Activities	3	2,239,383	-	2,239,383	10,659,577
Other Trading Activities	4	38,399	-	38,399	868,182
Investment Income		241	-	241	8,942
Grants & Contracts	5	9,403,319	-	9,403,319	2,699,153
Total Income		16,104,077	-	16,104,077	17,595,734
Expenditure on					
Charitable Activities					
Other Trading Activities	6	392,096	-	392,096	812,230
Charitable Activities	7	16,463,705	-	16,463,705	18,126,221
Net Gains/(Losses) on investments		-	-	-	-
Total Expenditure		16,855,801	-	16,855,801	18,938,451
Net Income/ (Expenditure)		(751,724)	-	(751,724)	(1,342,717)
Transfers Between Funds		-	-	-	-
Other Recognised Gains/(Losses)		-	-	-	-
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes		(9,067,000)	-	(9,067,000)	1,259,000
Net Movement		(9,818,724)	-	(9,818,724)	(83,717)
Total Funds Brought Forward		(6,458,910)	-	(6,458,910)	(6,375,193)
Total Funds Carried Forward		(16,277,634)	-	(16,277,634)	(6,458,910)

Balance Sheet as at 31 March 2021

	Note	31 Mar 21 £	31 Mar 20 £
Fixed Assets:			
Intangible Fixed Assets	11	2,923	16,200
Tangible Fixed Assets	12	1,900,531	2,287,980
Total Fixed Assets		1,903,454	2,304,180
Current Assets:			
Stocks		67,382	98,459
Debtors	13	677,359	607,657
Cash at bank and in hand		1,770,580	1,152,999
Total Current Assets		2,515,321	1,859,115
Liabilities:			
Creditors: amounts due within one-year	14	(3,104,562)	(2,127,466)
Net Current Assets/(Liabilities)		(589,241)	(268,351)
Total Assets Less Current Liabilities		1,314,213	2,035,829
Creditors: amounts falling due after one-year	15	(903,848)	(1,437,739)
Net Asset or Liabilities excluding pension Asset or Liability		410,366	598,090
Defined Benefit Pension Scheme Asset or Liability		(16,688,000)	(7,057,000)
Total Net Assets or Liabilities		(16,277,634)	(6,458,910)
Funds of the Charity:			
Unrestricted Funds		275,111	312,173
Unrestricted Designated Funds		135,255	285,917
Pension Reserve	18	(16,688,000)	(7,057,000)
Total Funds		(16,277,634)	(6,458,910)

These Financial Statements were approved and authorised for issue by the Board on 7th December 2021 and signed on their behalf by Andrew Kolker.



Cash flow Statement as at 31 March 2021

	01 April 2020 – 31 March 2021 £	01 April 2019 – 31 March 2020 £	Table
Cash Flows from operating activities			
Net cash (outflow)/inflow from operating activities	617,340	(29,977)	1
Cash Flows from investing activities			
Capital Expenditure	-	(408,046)	
Interest Income	241	8,942	
Cash Flows from financing activities			
Loan Received	-	-	
Loan Repayment	-	(83,200)	
Increase/(Decrease) in cash in period	617,581	(512,281)	
Cash & Cash equivalents at the beginning of the reporting period	1,152,999	1,665,280	
Cash & Cash equivalents at the end of the reporting period	1,770,580	1,152,999	2

Table 1

	01 April 2020 - 31 March 2021 £	01 April 2019 - 31 March 2020 £
Net movement in funds for the reporting period (as per the statement of financial activities)	(751,724)	(1,342,717)
Adjustments for:		
Pension Service Cost	564,000	1,149,000
Depreciation charges	192,018	188,577
Interest Income	(241)	(8,942)
(Increase)/decrease in stocks	31,077	(37,968)
(Increase)/decrease in debtors	(69,702)	9,924
Increase/(decrease) in creditors	651,912	12,149
Net cash provided by (used in) operating activities	617,340	(29,977)

Table 2

	01 April 2020 - 31 March 2021 £	01 April 2019 - 31 March 2020 £
Cash in hand	1,770,580	1,152,999
Total cash & cash equivalents	1,770,580	1,152,999

Statement of Net Debt

	As at 01 April 2020 £	Cash Flows £	As at 31 March 2021 £
Cash	1,152,999	617,581	1,770,580
Cash equivalents	-	-	-
Overdraft facility repayable on demand	-	-	-
		617,581	
Loans falling due within one year	(100,800)	-	(100,800)
Loans falling due after more than one year	(480,000)	-	(480,000)
Finance lease obligations	(1,166,237)	208,708	(957,529)
Total	(594,038)	826,289	232,251

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

1.01 Basis of Preparation

The Accounts cover the 12 month period ended 31st March 2021, the previous year comparatives refer to the period 1st April 2019 – 31st March 2020. The financial statements are prepared under Companies Act 2006, and in accordance with the Financial Reporting Standard 102 (FRS 102) and follow the recommendations in 'Accounting and Reporting by Charities: Statement of Recommended Practice' issued in 2015 (SORP 2018).

The Trust is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 11 May 2014 (company number: 08685939) and registered as a charity on 10 March 2014 (charity number: 1156084). The address of the registered office is 3rd Floor, 1 Ashley Road, Altrincham, WA14 2DT.

1.02 Going Concern

The Trustees have considered the financial position of the Trust, the levels of free reserves and the 2021-22 budget; as a consequence, the Trustees believe that the charity is well-placed to manage its business risks successfully.

Whilst the pension liability exceeds the net assets of the Trust, this should not be interpreted as creating a state of insolvency. The liability does not result in an immediate cash commitment and the liability is not expected to crystallise in the foreseeable future. Cheshire East Council provide a guarantee, in relation to all eligible employees, in respect of the Trust's pension obligations.

On 20th March 2020, under instruction from Cheshire East Borough Council and Central Government, all of Everybody's leisure sites were closed with immediate effect for public usage in an attempt to limit exposure to the COVID-19 pandemic which was causing a serious concern for health across both the whole country and the entire world. Subsequently, Everybody leisure sites started to reopen during July and August in line with Government guidance which has meant significant under-utilisation at sites. However, during the period of site closures during 2020-21, an online offering of live exercise classes were created, with historical access also being retained via social media. This retained a significant number of members engagement and helped to maintain both their physical and mental wellbeing.

Subsequently on 5th November 2020, once again under instruction from Cheshire East Borough Council and Central Government, all of Everybody's leisure sites were closed

with immediate effect for public usage in an attempt to limit exposure to the COVID-19 pandemic. Sites reopened on 2nd December 2020 but closed again on 4th January 2021.

Extra support has been received from Cheshire East Council during the first period of closure and this continued during November 2020 and onwards. In addition, the Government's extension to the Job Retention Scheme and various grants based upon the rateable values of premises has proved to be invaluable. At the end of the financial year, a sum of £251,000 was received from the National Leisure Recovery Fund, with additional funding being carried forward into 2021-22.

In the event of the company winding up the Trustees may resolve that any net assets of the Charity after all its debts and liabilities have been paid, be applied or transferred either directly for the objects of the Charity, or to any institution which is or are regarded as charitable for purposes similar to the objects of the Charity or for use for particular purposes that fall within the objects of the Charity. In no circumstances shall the net assets of the Charity be paid to or distributed among the members of the Charity under this Article 41.

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of preparation in the financial statements.

1.03 Incoming Resources

Income is credited to the Statement of Financial Activities in the period in which it is receivable. The income and expenditure account is presented in the form considered most appropriate to the current activities of the charity.

Donations and Legacies include an amount equal to notional rental expenditure for the use of Cheshire East Council facilities, in addition to one building owned by Holmes Chapel Parish Council.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable. Included within the Grants and Contracts figure on the face of the accounts is the management fee paid to Everybody by Cheshire East Council.

Charitable Activities Income is where the majority of our income sits; this includes memberships, class bookings, health programmes, and swimming lessons.

Trading income refers to income generated at all sites currently using the "Taste For Life" branding. This primarily consists of catering, bar and vending income.

Income from investments is included in the year in which it is receivable.

In addition to the income disclosed in the financial statements Everybody Sport & Recreation also receives help and support in the form of voluntary assistance. This help and support is not included in the financial statements. This voluntary assistance is very much appreciated.

1.04 Fund Accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with a fair allocation of management and support costs.

1.05 Stock Accounting

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete items.

1.06 Resources Expended

Resources expended are recognised in the year in which they are incurred.

Direct charitable expenditure is identified as cost incurred directly as a result of running the operations and projects directly aligned with our Charitable Aims.

Trading Activity Costs are those incurred in connection with trading activities of the Trust.

Resources expended are allocated to the particular activity where the cost relates to the activity. However, management, administration and finance staff costs are apportioned on the basis of time spent on each activity.

1.07 Intangible Assets and Depreciation

Intangible software and associated costs greater than £5,000 are amortised at a rate calculated to write off the lower of cost or fair market value over its expected useful life.

Depreciation is provided as follows:

<u>Asset</u>	<u>Lifespan</u>	<u>Rate</u>
Software	3 Years	33.3%

1.08 Tangible Fixed Assets and Depreciation

Fixed assets, either individually or as a collection of similar items, purchased over the value of £5,000 are capitalised with all assets valued at historic cost.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

<u>Asset</u>	<u>Lifespan</u>	<u>Rate</u>
Property	24 years or the life of a property lease if less	4.2%
Gym/Studio Equipment	5 years	20%
General Equipment	5 years	20%
Computers/IT	5 years	20%

1.09 Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

1.10 Deferred Income

Amounts held as deferred income refer to funds received in the reporting period but specifically held for use in the following financial year due to funds being restricted for use in a future period.

1.11 Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable

and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activity.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates 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 addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 12 for the carrying amount of the property, plant and equipment, and note 1.07 & 1.08 for the useful economic lives for each class of assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

(iii) Actuarial Assumptions

Everybody Sport & Recreation has obligations to pay pension benefits to certain employees who are members of a Local Government Pension Scheme. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends.

(iv) Retail, Hospitality and Leisure Grant Fund

Everybody Sport & Recreation has treated receipt of the above Funds to equal the period when entitlement became due, i.e. 2020-21

(v) National Leisure Recovery Fund

The National Leisure Recovery Fund was received in March 2021 with £251,000 being calculated as income within the period of entitlement. The remaining funds were carried forward into 2021-22.

1.14 Pensions

The Trust participates in the Local Government Pension Scheme (LGPS), with Cheshire West and Chester Council operating as the Administering Authority. The LGPS is a defined benefit scheme. The schemes assets are held separately from the assets of the Trust and are administered by trustees and managed professionally.

Pension scheme assets are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained annually and updated at each Balance Sheet date.

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 the scheme assets. A full valuation of the liability is calculated by an independent actuary every three years using the projected units 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 the 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. Where changes to the Scheme have resulted in past service costs, these are recognised immediately in the Statement of Financial Activities.

Liabilities for the pension scheme are held by Cheshire East Council (the "Authority"), and are covered in the Operating Contract (section 19.0) which states that "To ensure that the Administering Authority does not require the Contractor to put in place any indemnity or bond in respect of the Eligible Employees, the Authority will provide the Administering Authority with a guarantee in a form acceptable to the Administering Authority and the Contractor in respect of the Contractor's obligations to the Administering Authority in respect of Eligible Employees".

Everybody Sport & Recreation is reporting an Operating Deficit prior to the Pension Service Costs (£187,724) as shown in note 1.15 below. The Service Costs and Pension Movements that we are required to show in our accounts under FRS 102 rules include changes in actuarial assumptions and other adjustments that do not impact on the operational cashflow of the charity.

During the contract negotiations it was agreed with Cheshire East Council, that they would indemnify the Pension Liability for all Everybody Sport & Recreation, current and new staff, for as long as the scheme remains open.

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustees are aware that the issue will affect the charity and will be making decisions as to the next steps in due course. The Trustees have not yet estimated the overall value of individual adjustments to the Scheme as a whole.

A follow up ruling on 20 November 2020 confirmed that Members who have historically taken a transfer value now have to be included in GMP equalisation assessments and top up payments made where necessary. The Actuary has not made any additional allowance for this follow up ruling.

1.15 Operating Surplus (Actuarial Pension Costs Removed)

	Notes	Unrestricted Funds £	Restricted Funds £	01 Apr 2020 – 31 Mar 2021 £	01 Apr 2019 – 31 Mar 2020 £
<u>Income:</u>					
Donations and Legacies	2	4,422,735	-	4,422,735	3,359,880
Charitable Activities	3	2,239,383	-	2,239,383	10,659,577
Other Trading Activities	4	38,399	-	38,399	868,182
Investment Income		241	-	241	8,942
Grants & Contracts	6	9,403,319	-	9,403,319	2,699,153
Total Income		16,104,077	-	16,104,077	17,595,734
<u>Expenditure on Charitable Activities</u>					
Other Trading Activities	6	392,096	-	392,096	812,230
Charitable Activities	7	15,899,705	-	15,899,708	16,977,221
Total Expenditure		16,291,801	-	16,291,801	17,789,451
Net Income (Expenditure)		(187,724)	-	(187,724)	(193,717)
Transfers Between Funds		-	-	-	-
Operating Surplus / (Deficit)		<u>(187,724)</u>	<u>≡</u>	<u>(187,724)</u>	<u>(193,717)</u>

2. Donations

	01 April 2020 – 31 March 2021 £	01 April 2019 – 31 March 2020 £
Miscellaneous	-	-
Use of Buildings Owned by Cheshire East BC	4,362,735	3,313,880
Use of Buildings Owned by Holmes Chapel Parish Council	60,000	46,000
Total Income	4,422,735	3,359,880

During 2020-21, in addition to minimal property revaluations, the property yield increased from 5.75% to 7.50%. This rate was obtained from the same independent source as in 2019-20.

3. Charitable Activities (Income)

	01 April 2020 – 31 March 2021 £	01 April 2019 – 31 March 2020 £
Operational Facilities	2,233,703	10,577,113
Partnership & Leisure Development	5,680	82,464
Total Income	2,239,383	10,659,577

4. Other Trading Activities (Income)

	01 April 2020 – 31 March 2021 £	01 April 2019 – 31 March 2020 £
Bar & Catering Income	38,399	868,182
Total Income	38,399	868,182

Sites were closed for the majority of 2020-21 due to Lockdowns created by the COVID-19 pandemic. A significant loss of 829,783 is reported when compared

against the expenditure recorded in Note 6. However, it should be noted that income received from the Government Furlough Grants is accounted for centrally and is reported within Note 5

5. Grants and Contracts

	01 April 2020 – 31 March 2021	01 April 2019 – 31 March 2020
	£	£
CEC Management & Operational Fee's	3,825,482	1,853,200
CEC Support Services	100,485	100,500
Bikeability	91,243	178,019
Health	49,659	396,391
Other Sources	8,812	29,128
Furlough Grant	4,571,071	141,128
National Leisure Recovery Fund Grant	251,000	-
COVID – Local Support Grant	505,567	-
Total Income	9,403,319	2,699,153

6. Other Trading Activities (Expenditure)

	01 April 2020 – 31 March 2021	01 April 2019 – 31 March 2020
	£	£
Staff Costs	366,076	438,267
Bar & Catering Purchase	26,020	373,963
Total Expenditure	392,096	812,230

7 Activities (Including Actuarial Pension. Charitable Costs)

	Operational Facilities £	Partnership & Leisure Dev £	01 April 2020 - 31 March 2021 £	01 April 2019 - 31 March 2020 £
Salary, NI & Pensions	6,858,624	387,222	7,245,846	8,446,396
Indirect Employee Costs	75,841	13,264	89,105	68,114
Pension Service Costs	451,995	9,803	461,798	1,015,869
Property Costs	4,584,369	-	4,584,369	3,446,776
Transport - Other	1,199	2,278	3,477	6,693
Supplies & Services	601,066	116,558	717,624	1,880,424
Financing Costs	544,572	10,519	555,091	625,863
Support & Marketing Costs				
Reallocated	2,673,250	109,974	2,783,224	2,609,770
Governance Costs Reallocated	21,764	1,407	23,171	26,316
Total 01 April 2020 - 31 March 2021	15,812,680	651,025	16,463,705	-
Total 01 April 2019 - 31 March 2020	16,889,539	1,236,682	-	18,126,221

8. Support and Governance

	Management & Support Services £	Governance Costs £	01 April 2020 - 31 March 2021 £	01 April 2019 - 31 March 2020 £
Salary, NI & Pensions	1,741,858	-	1,741,858	1,285,779
Indirect Employee Costs	138,320	-	138,320	196,231
Pension Service Costs	102,202	-	102,202	133,132
Property Costs	39,166	-	39,166	190,376
Transport - Other	5,924	-	5,924	7,381
Supplies & Services	699,504	23,171	722,675	729,225
Financing Costs	56,250	-	56,250	93,962
Total	2,783,224	23,171	2,806,395	2,636,086

Governance costs primarily include External Audit fees, specialist tax advice and Company Secretary fees

9. Analysis of Staff Costs, Auditor Costs & Trustee Remuneration and Expenses

The aggregate payroll costs were:	01 April 2020 – 31 March 2021 £	01 April 2019 – 31 March 2020 £
Salaries	7,945,273	8,869,433
Social Security Costs	459,049	661,160
Pension Costs	660,055	809,370
Total	9,064,377	10,339,963

Within the above costs, it was identified that Redundancy Payment totalling £123,039 were incurred, these costs are included within the SOFA heading of charitable Activities.

Included within the costs identified above which refer to 747 members of staff, the following table details the number of whose total employee benefits (excluding employer pension costs) exceeded £60,000.

Total Employee Benefits £	No. Of Employees 2021	No. of Employees 2020
60,000 - 69,999	2	-
70,000 - 79,999	-	3
80,000 - 89,999	-	-
90,000 - 99,999	1	1
100,000 - 109,999		
Total	3	4

The total salary and pension costs paid to all key management totalled £381,828

Governance costs include Annual Auditor Fees totalling £16,000 for the Statutory Audit (£15,982 in 2019-20) and £3,600 for specialist VAT & tax advisory services (£3,200 in 2019-20)

The Charity Trustees receive no remuneration for their services. No expenses have been reimbursed by the charity to the Trustees during the year. (nil also in 2019-20)

10. Staff Numbers

The average number of staff employed (disclosed on a headcount basis) during this financial year is detailed below. Casual staff are included within this table.

2021	No.
Leisure Facilities and Leisure Development	649
Taste for Life and Health	51
Support Services and Academy	47
Total	747

2020	No.
Leisure Facilities and Leisure Development	625
Taste for Life and Health	61
Support Services and Academy	53
Total	738

11. Intangible Fixed Assets

2020-21	IT Software £	Total £
<u>Cost</u>		
Balance as of 01 April 2020	89,575	89,575
Additions	-	-
As at 31 March 2021	89,575	89,575
<u>Amortisation</u>		
As at 01 April 2020	73,375	73,375
In year charges	13,277	13,277
As at 31 March 2021	86,652	86,652
<u>Net Book Value</u>		
As at 01 April 2020	16,200	16,200
As at 31 March 2021	2,923	2,923

The value of amortised Intangible Assets is included within the expenditure heading of the SoFA named "Charitable Activities"

12. Tangible Fixed Assets

2020-21	Buildings inc Professional Fees £	Gym Equipment £	IT Equipment £	General Equipment £	Total £
Cost:					
Balance as of 01 April 2020	669,917	324,628	76,744	544,648	1,615,937
Balance as of 01 April 2020 (Finance Lease)	-	1,475,313	114,891	64,482	1,654,686
Additions	-	-	-	-	-
Additions (Finance Leases)	-	-	-	-	-
As at 31 March 2021	669,917	1,799,941	191,635	609,130	3,270,623
Depreciation:					
Balance as of 01 April 2020	118,657	176,170	39,851	159,516	494,194
Balance as of 01 April 2020 (Finance Lease)	-	409,888	50,319	28,242	488,449
Charge for the Year	32,324	41,297	12,913	92,206	178,740
Charge for the Year (Finance Leases)	-	190,896	11,409	6,403	208,708
As at 31 March 2021	150,981	818,251	114,492	286,368	1,370,092
Net Book Value					
As at 01 April 2020	551,260	1,213,883	101,465	421,372	2,287,980
As at 31 March 2021	518,936	981,690	77,143	322,762	1,900,531

12A. Finance Leases

2020-21	£ Gym Equipment	£ IT Equipment	£ General Equipment	£ Total
Cost:				
Balance as of 01 April 2020	1,475,313	114,891	64,482	1,654,686
Additions	-	-	-	-
As at 31 March 2021	1,475,313	114,891	64,482	1,654,686
Depreciation:				
Balance as of 01 April 2020	409,888	50,320	28,242	488,450
Charge for the Year	190,896	11,409	6,403	208,708
As at 31 March 2021	600,784	61,729	34,645	697,158
Net Book Value				
As at 01 April 2020	1,065,425	64,571	36,240	1,166,236
As at 31 March 2021	874,529	53,162	29,837	957,528

The above Finance Leases Net Book Values are included in Note 12 within the same categories, (Gym Equipment, IT Equipment, General Equipment)

13. Debtors

	31 March 2021	31 March 2020
	£	£
Trade Debtors	622,335	395,094
Prepayments and Accrued Income	55,024	212,563
As at 31 March 2021	677,359	607,657

£721 of Bad Debt has been written off through the Statement of Financial Activity.

14. Creditors: Amounts Falling Due Within One Year

	31 March 2021	31 March 2020
	£	£
Trade Creditors	58,849	329,345
Accruals and Deferred Income	1,849,514	936,427
Taxation and Social Security	487,048	389,736
Loans	302,400	100,800
Finance Leases	332,081	208,498
Other Creditors	74,670	162,660
As at 31st March 2021	3,104,562	2,127,466

Analysis of Deferred Income Movement

Deferred Income	Brought Forward 2020 £	Total In Year Deferral £	Total In Year Deferral Released £	Carried Forward 2021 £
- Annual Memberships	421,320	618,206	(441,076)	244,190
- Facility Bookings	5,218	5,218	-	-
- Learn To Swim Scheme	15,905	1,507	-	14,398
- Memberships Income received in March	269,360	227,019	-	42,341
- Various other Projects	-	-	(7,246)	7,246
- National Leisure Recovery Fund	-	-	(650,542)	650,542
Total Funds	711,803	851,950	(1,098,864)	958,717

15. Creditors: Amounts Falling Due After One Year

	31 March 2021	31 March 2020
	£	£
Principal Loan Repayments Repayable Between 1 to 5 Years	278,400	480,000
Principal Loan Repayments Repayable After 5 Years	-	-
Principal Finance Lease Repayable Between 1 to 5 Years	625,448	957,739
Total	903,848	1,437,739

Two loans exist, both have an interest rate attached to them of 4% above the Bank of England's variable Base Rate. These are both Unsecured Loans.

16. Analysis of Charitable Funds

Fund	Brought Forward 2020	Incoming Resources	Outgoing Resources	Gains / (Losses)	Transfers In / (Out)	Carried Forward 2021
	£	£	£	£	£	£
Unrestricted	312,173	16,104,077	(16,291,801)	-	150,662	275,111
Pension Reserve	(7,057,000)	-	(564,000)	(9,067,000)	-	(16,688,000)
Designated Funds						
- Staff Membership Scheme	76,296	-	-	-	10,930	87,226
- Training Academy	5,100	-	-	-	-	5,100
- Systems Upgrade	47,147	-	-	-	(23,573)	23,574
- Capital Contributions Received	20,374	-	-	-	(1,019)	19,355
- Community Projects	137,000	-	-	-	(137,000)	-
Total Designated Funds	285,917	-	-	-	(150,662)	135,255
Total Funds	(6,458,910)	16,104,077	(16,855,801)	(9,067,000)	-	(16,277,634)

Fund	Brought Forward 2019 £	Incoming Resources £	Outgoing Resources £	Gains / (Losses) £	Transfers In / (Out) £	Carried Forward 2020 £
Unrestricted	486,181	17,595,734	(17,789,451)	-	19,709	312,173
Pension Reserve	(7,167,000)	-	(1,149,000)	1,259,000	-	(7,057,000)
Designated Funds						
- Staff Membership Scheme	60,613	-	-	-	15,683	76,296
- Training Academy	5,100	-	-	-	-	5,100
- Signage	6,000	-	-	-	(6,000)	-
- Knutsford Attic	4,800	-	-	-	(4,800)	-
- Systems Upgrade	70,720	-	-	-	(23,573)	47,147
- Capital Contributions Received	21,393	-	-	-	(1,019)	20,374
- Community Projects	137,000	-	-	-	-	137,000
Total Designated Funds	305,626	-	-	-	(19,709)	285,917
Total Funds	(6,375,193)	17,595,734	(18,938,451)	1,259,000	-	(6,458,910)

Analysis of Net Assets between Funds	Unrestricted Funds £	Designated Funds £	Total Funds 2021 £
Intangible Fixed Assets	2,923	-	2,923
Tangible Fixed Assets	1,900,531	-	1,900,531
Current Assets	2,229,404	285,917	2,515,321
Creditors: amounts falling due within one year	(3,104,562)	-	(3,104,562)
Creditors: amounts falling due after one year	(903,848)	-	(903,848)
Pension Liability	(16,688,000)	-	(16,688,000)
Total	(16,563,552)	285,917	(16,277,635)

Analysis of Net Assets between Funds	Unrestricted Funds	Designated Funds	Total Funds 2020
	£	£	£
Intangible Fixed Assets	16,200	-	16,200
Tangible Fixed Assets	2,287,980	-	2,287,980
Current Assets	1,573,198	285,917	1,859,115
Creditors: amounts falling due within one year	(2,127,466)	-	(2,127,466)
Creditors: amounts falling due after one year	(1,437,739)	-	(1,437,739)
Pension Liability	(7,057,000)	-	(7,057,000)
Total	(6,744,827)	285,917	(6,458,910)

Staff Membership Scheme

Income is set aside from the staff membership scheme which is to be used for staff activities, development and benefits during forthcoming years.

Training Academy

An amount was originally set aside in 2014-15 for the development of Everybody's Training Academy in order to increase participation in training, recruiting apprentices and establishing our external training offer.

Signage

The signage at Everybody facilities was significantly improved within 2015-16. The original fund is now being transferred to the General Fund over a period of five years to reflect the depreciation charges on the costs which were originally incurred. All funds have been transferred as at 31-Mar-2020.

Knutsford Attic

This fund was created in 2014-15 to upgrade a little used area into a fully functioning multi-use studio, known as "The Attic". This work was completed in 2015-16 and the fund will be utilised over a period of five years. All funds have been transferred as at 31-Mar-2020.

Business System Upgrade

A new Finance and a separate new HR and Payroll system was acquired during 2016-17 and have been fully implemented during 2017-18. A contribution will be made into the General Fund each year equivalent to the annual revenue charges.

Capital Contribution Received

A sum of £24,450 was accounted for as income in 2015-16 which was designated to be transferred into the General fund in future years to offset annual depreciation charges made against the revenue account.

Community Projects

A Designated Fund was been created in 2018-19 to assist with the future set up and potential running costs of creating new Community Projects in future years. These were intended to be innovative projects which will provide a high social return for the areas identified and supported.

In 2020-21, the whole value of this fund was utilised during the COVID-19 pandemic. Various community projects were co-ordinated and provided by Everybody, including the creation of online fitness classes in the early part of the year which led to the creation of the Everybody At Home package. This project was initially available to the whole community and there were no fees levied for customers (including non-members) to participate in either the live online classes or for accessing them offline.

Various other initiatives were also created, including the weekly phone calls to those members of the community that were known to be vulnerable and potentially, extremely lonely through the various lockdowns. At one point, over 400 phone calls were being made by staff. In addition, one other particularly notable project was the assistance given to Cheshire East Borough Council for the collection and distribution of food parcels to those within Cheshire East that had been identified by the Borough Council as being in need through self-isolation.

17. Related Party Transactions

Everybody Sport and Recreation has a close working relationship with Cheshire East Council (CEC), who nominate two of the eleven trustees of the charity. These two nominated trustees have equal voting rights with the other trustees.

In addition, a close working relationship has also been established with Holmes Chapel Parish Council (HCPC) with Everybody Sport & Recreation investing in and operating the Holmes Chapel Community Centre on behalf of the Parish Council.

The following is a summary of transactions with these entities:

		01 April 2020 – 31 March 2021	01 April 2019 – 31 March 2020
		£	£
Donations & Legacies	- CEC	4,217,311	4,587,946
" "	- HCPC	58,000	46,000
Grants and Contracts	- CEC	3,925,967	1,953,700
Loan Interest and Principal Repaid	- CEC	24,754	119,183
Charitable Expenditure	- CEC	4,330,675	4,701,310
" "	- HCPC	58,000	46,000
Everybody Foundation	-	-	4,884

The above donations relate to an amount calculated for use of the Borough and Parish Council owned facilities at a nil rental, a corresponding equal amount is shown as Charitable expenditure. The "Grants and Contracts" income refers to amounts received from Cheshire East Council for the delivery of various services within the facilities owned by Cheshire East Council. This includes income relating to the purchase of back office and IT support provided by the Council on behalf of Everybody Sport and Recreation (which is repaid as expenditure identified as Charitable Activities).

No "match funding" payments were made to the Everybody Foundation during the year as the Foundation was unable to generate any funds of its own due to the restrictive activities of COVID.

In addition, the following transactions occurred during 2020-21 with organisations which are identified as being Related Parties to Trustees or Senior Managers of the Company:

- Alsager Multi Academy Trust: £7,521 income – facility hire and £577 expenditure relating to room hire and a shared income arrangement
- Charity Finance Group: £80 expenditure – conference fees

Cheshire East Council have indemnified Everybody Sport & Recreation's pension liability (refer to note 1.14). This liability is currently valued at £16,688,000 as at 31 March 2021. The projected amount to be charged to the Operating Profit in the year to 31 March 2022 is expected to be £2,380,000.

	2021 £	2020 £
Amounts due to:		
Cheshire East Council – Various	60,596	55,737
Cheshire East Council – Loan Principal	580,800	580,800
Cheshire East Council – Interest Within One Year	16,581	23,727
Amounts due from:		
Cheshire East Council	177,682	10,506
Holmes Chapel Parish Council	-	42

18. Defined Benefit Pension Scheme

The charity continues to operate a defined benefit scheme which is now closed to new employees. The scheme is part of the Local Government Pension Service (LGPS) and "Everybody" has its own assets held within the wider fund. An actuarial revaluation was carried out as at 31 March 2019. The fund is administered by independent trustees who are responsible for ensuring it is funded to meet current and future obligations, the agreed contribution rates for future years are 18.3% for employers and between 5.5% and 10.5%, depending on pay for employees.

Pension Commitments

	2021	2020
Rate of increase in salaries	3.50%	2.50%
Rate of increase in pensions payment	2.80%	1.80%
Discount rate	2.05%	2.30%
Commutation of Pensions to Lump Sums		
Pre April 2008 service	50%	50%
Post April 2008 service	75%	75%
Assumptions are made to allow future improvements to mortality rates.		
Mortality assumptions		
Life expectancy at 65		
Retiring today		
- Male	21.4 years	21.2 years
- Female	24.0 years	23.6 years

Retiring in the future

- Male	22.4 years	21.9 years
- Female	25.7 years	25.0 years

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting surplus / (deficit), as recognised in the SoFA are:

	2021 £	2020 £
Equities	10,503,180	9,730,290
Bonds	9,133,200	6,486,860
Property	2,283,300	1,717,110
Cash	913,320	1,144,740
Total Market Value of Assets	22,833,000	19,079,000

The actual return on Scheme Assets was £3,298,000 (£13,000 in 2019-20).

	2021 £	2020 £
Amounts Recognised in the Statement of Financial Activities		
Employer Contribution	(537,000)	(684,000)
Past Service Cost	-	-
Current Service Cost	935,000	1,644,000
Expected Return on Pension Scheme Assets	(444,000)	(471,000)
Interest on Pension Liabilities	610,000	660,000
Total	564,000	1,149,000
Actual Return on Scheme Assets	3,298,000	13,000
Movements in the Present Value of the Defined Benefit Obligation were as follows:		
Opening Defined Benefit Obligation	26,136,000	25,708,000
Contributions by Employees	191,000	230,000
Actuarial Losses / (Gains)	11,921,000	(1,717,000)
Benefits Paid	(272,000)	(389,000)
Interest Cost	610,000	660,000
Current Service Cost	935,000	1,447,000
Past Service Cost	-	197,000
Closing Defined Benefit Obligation	39,521,000	26,136,000

	2021 £	2020 £
Movements in The Fair Value of Everybody's Share of Scheme Assets:		
Opening Fair Value of Scheme Assets	19,079,000	18,541,000
Interest Income	444,000	471,000
Actuarial Gains and (Losses)	2,854,000	(458,000)
Contributions by Employer	537,000	684,000
Contributions by Employee	191,000	230,000
Benefits Paid	(272,000)	(389,000)
Closing Fair Value of Scheme Assets	22,833,000	19,079,000

The pension scheme has a deficit; this is being addressed through a re-evaluation of employers contribution at each triannual review. The deficit has decreased in year from £7.1m to £16.7m. The scheme was fully funded at transfer, valued on an 'ongoing' basis. The scheme is valued in different ways by the actuary for different purposes:

The 'ongoing' basis of valuation is used by the actuary to set the funding strategy of the scheme and the contribution rates for the scheme and uses a discount rate that reflects the asset mix that the fund actually invest, with a degree of prudence, (return on government bonds + outperformance 1.6%). FRS102 reporting requirement gives a more prescribed calculation of the discount rate stating, it must be 'determined by reference to market yields at the end of the reporting period on high quality corporate bonds.'

The contribution for the year ended 31 March 2022 is expected to be £586,000

Cheshire East Council have indemnified Everybody Sport & Recreation's pension liability (refer to note 1.14). This liability is currently valued at £16,688,000 as at 31 March 2021.

19. Operating Leases

Annual Total	Within the First Year	Within the Second to Fifth Years Inclusive	Over Five Years
	£	£	£
01 Apr 2020 – 31 Mar 2021	31,991	23,272	-
01 Apr 2019 – 31 Mar 2020	172,668	16,684	-

Operating lease payments recognised as an expense totalled £164,013 (£190,924 in 2019-20).

20. Finance Leases

Annual Total	Within the First Year	Within the Second to Fifth Years Inclusive	Over Five Years
	£	£	£
01 Apr 2019 – 31 Mar 2020			
Gross Lease Payments Due	237,074	1,001,035	-
Less Interest Charge	(28,575)	(70,413)	-
Net Lease Charges Due	208,498	930,622	-
01 Apr 2020 – 31 Mar 2021			
Gross Lease Payments Due	365,457	661,900	-
Less Interest Charge	(33,376)	(36,452)	-
Net Lease Charges Due	332,081	625,448	-

The total value of Finance Leases recognised in the Balance Sheet is £957,529

21. Financial Instruments

	2021 £	2020 £
Financial Assets that are Debt Instruments Measured at Amortised Cost:		
Trade debtors	622,335	395,094
Accrued Income	55,024	212,563
Total	677,359	607,657
Financial Liabilities Measured at Amortised Cost:		
Trade creditors	94,139	329,345
Loans	580,800	580,800
Finance Leases	957,529	1,166,237
Accruals	857,624	224,624
Other creditors	74,670	162,660
Total	2,564,762	2,463,666
Cash and Term Deposits Total	1,770,580	1,152,999