

COMPANY REGISTRATION NUMBER: 10076004

CHARITY REGISTRATION NUMBER: 1174371

**Leisure United
Company Limited by Guarantee
Financial statements
31 March 2021**

Leisure United

Company Limited by Guarantee

Financial statements

Year ended 31 March 2021

	Page
Trustees' annual report (incorporating the directors' report)	1
Independent auditor's report to the members	9
Statement of financial activities (including income and expenditure account)	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16

Leisure United

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report)

Year ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Reference and administrative details

Registered charity name	Leisure United
Charity registration number	1174371
Company registration number	10076004
Principal office and registered office	SGP Graves Bochum Parkway Sheffield S8 8JR

The trustees

The trustees who served during the year and at the date of approval were as follows:

Mr D J Gallagher (Chairman)
Mrs S Wakefield (Vice Chair) (appointed 06 April 2020)
Mr J Annis (resigned 19 July 2021)
Mr S Ardley
Mr S Everett
Mr J Hodd (deceased 10 May 2020)

Managing Director Mr W Ormerod

Auditor Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Bankers National Westminster Bank Plc
53 London Road North
Lowestoft
Suffolk
NR32 1BJ

Leisure United

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Objectives and activities

The objectives of the charity are:

- To provide or assist in the provision of facilities in the interest of social welfare for recreation or other leisure time occupation for the public at large or for individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life;
- The promotion of community participation in healthy recreation.
- To advance the education and training (both academic and vocational) of the public and in particular (but not limited to) young people from the age of 16 in the subject of sports, sports management and related subjects, with a particular focus (but not limited to) football.

The objectives of the charity are fulfilled through the management of leisure and football facilities throughout the uk on behalf of public and private sector organisations.

Public benefit

The trustees have taken due regard to the guidance published by the Charity Commission on public benefit. It is considered that the charity provides a public benefit through its vision to provide first class leisure facilities, which are accessible and affordable for the whole community.

Our pledge

To ensure affordable, accessible, engaging facilities for all. For the facilities to be operated efficiently ensuring first class presentation throughout contract term. To reinvest surplus profits to further develop a sustainable football and fitness offer.

Our vision

To bring together communities for football, fitness, social and education.

Leisure United

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Achievements and performance

Despite the impact of Covid 19 we can proudly report that year on year we have seen improvements across all aspects of the charity. Our hands-on critical approach has allowed us to be robust and agile to ensure all hubs bounce back in 21/22.

Leisure United have shown resilience in the restrictive operating environment caused by Covid 19.

Whilst the nationwide lockdown completely halted activities, this gave an opportunity to assess and agree the best way to respond, reshape and prepare the charity for a secure, financially sustainable future.

Financial specialist Sarah Wakefield was appointed to the executive as a Trustee / Vice Chair, following the sad passing of John Hodd, further to this Joe Annis resigned from his role on 19th July 2021. The charity board retains two vacancies which will not be filled until long term contracts have been secured.

The Trustee board appointed an Executive committee, consisting of Sarah Wakefield and David Gallagher in order to support its management team and work alongside the Football Foundation and Funding Partners during what has been a very challenging and transformational year. This process, which has been very successful will be retained moving forward.

A comprehensive performance review was undertaken to address the significant financial deficit, with consultants commissioned by the Football Foundation and Funding Partners. The operating model was scrutinised, a performance plan outlined with financial projections made against various economic recovery scenarios.

As a result of this thorough internal and external review, the agreement with the main contract holder, Pulse Soccer and Pulse Group of Companies (Pulse), was terminated. All contractual obligations and liabilities being written off. Local Authorities agreed to directly contract Leisure United, with TUPE in place for the service delivery staff from Pulse.

In August, a new Executive Partnership Board was formed with two key posts created. Dean Hogan, formerly Pulse National Contracts Manager became Director of Operations, and Warren Ormerod was appointed interim Managing Director (since becoming full time position in April 2021), sitting alongside key trustees, members of the Football Foundation and Funding Partners.

Sunderland opening - We successfully opened three new football hubs in Sunderland with one featuring a fitness offer too.

Leisure United

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Achievements and performance *(continued)*

Covid 19

National shutdowns - Hubs operating in differing tiers and only 81 days where we were fully operational.

New operational procedures - Implemented as we navigate a new normal around Covid 19 legislation.

Critical management - Following the termination of Pulse Soccer we had to assess the critical needs of the charity, implement a plan and ensure all contractual obligations fulfilled.

Staff wellbeing - It has been an unsettling year for staff, with significant change to management structure, large periods of furlough, illness and change to roles to accommodate Covid 19 health and safety legislation.

Overall Performance - Despite only being operational for 81 days of the year we have ended 20/21 in a better financial position than forecasted. Year on year (for trading months) we have increased income, visits and participation.

Valued Partnerships - Together with the support of our partners we have delivered quality football and fitness to our communities.

Operational Improvements - Key appointments, strategic and operational direction, agility, brand consistency and investment in software for improved reporting - all contributing factors to stabilise the charity.

Financial review

The results for the year are shown on pages 13 to 26.

The charity recorded income of £2,417,587 (2020: £3,560,435) with a deficit for the period of £43,292 (2020: surplus of £736,512). The decrease in income was as a result of the Covid 19 pandemic and the enforced closures of sports and leisure facilities, however the charity was heavily supported with furlough and other Covid 19 grants.

Reserves policy

The charity's reserve policy is to generate reserves equal to three times the monthly salary commitment, which amounts to around £492k, within a 10 year period. The charity had free reserves at the period end of £235,004 (2020: £267,241).

A new reserves policy has been set at six times the monthly salary and is targeted to be started during 2022/23.

Also having grant funding of circa £475k available to be drawn on if required, a further job retention scheme bonus which will be available during 2021/22 (circa £70k plus) and an outstanding Business Interruption Insurance claim (circa £100k) due later in the year. This along with the Pulse settlement and contract termination, which resulted in any historical debt written off, has left Leisure United in a strong position to support long term company sustainability.

Leisure United

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Plans for future periods

Looking forward Leisure United has extended its arrangements with the three existing hubs and anticipates long term contracts being awarded. New sites will come online during the next year with Parsloes in London being developed and Leisure United being the preferred operator, an additional site is likely to be added to the Sheffield Hub and further Hubs in Newcastle, Wigan, Derby and Leeds are all in the pipeline for development and potential operation over the next couple of years.

Leisure United has been in discussions with the Football Foundation and Funding partners and will form the operational arm of a 'National Football Trust' that will be reconfigured during the summer/autumn of 2021, this will add further strength and resilience to Leisure United and enable us to meet both its short and long term ambitions. Leisure United has also formed a trading subsidiary to ensure that it maximises operational performance, with further facility and service model developments in progress.

The National Football Trust held its inaugural meeting on 3 December 2021, Quarterly meetings have been established for 2022.

Going concern

It is unfortunate, yet understandable that year-on-year growth cannot be reported. However, in the months activities recommenced, albeit under restrictions, a strong return to football and fitness was witnessed. An upturn in footfall and revenues was reported, when set against the comparable months trading from the prior year, under the prior contractor.

The creation and implementation of a robust improvement plan across operational practices, transparency and integrity of reporting and qualitative communication between partners has underpinned the transition from a critical, to a stable position.

A clear blueprint informed by prior experience and learnings, will ease the opening of new sites with improved efficiencies. A better understanding of customers, utilising data to plan, predict and prepare a sound sales, marketing and customer experience strategy, underpins and informs activity and provides the ability to be adaptable.

In a difficult climate, much has been accomplished. A short-term contract has been secured, alongside grant funding, enabling Leisure United to become debt-free. A strong senior management team is in place, providing improved governance and resilient direction and strategy.

There is positivity and clarity about the pathway to a new normal, with sites successfully reopening and supporting future sustainable expansion.

Structure, governance and management

Leisure United was constituted as a company in March 2016, having existed in 'shadow' form previously in order to establish a strong vision and business case during mobilisation. The company achieved charitable registration in August 2017.

The operation continues to grow and to develop its learning with this being, in the main, a new model to the leisure market.

Governance arrangements that were put in place with the Football Foundation have established further resilience and overall expertise to manage the existing provision and review future opportunities.

Leisure United

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Structure, governance and management *(continued)*

Recruitment and appointment of trustees

Trustees shall be persons who through residence, occupation, employment or otherwise have a special knowledge of the area of benefit or who are otherwise able, by virtue of their personal or professional qualifications, to make a contribution to the pursuit of the objectives of the charity.

Trustees are directors of the company for the purposes of company law. The number of Trustees shall be a minimum of three and a maximum of six.

Trustees who held office throughout the period are as listed on page 1.

Trustee training and induction

On appointment the Trustees are provided with:

- The charity's Memorandum and Articles of Association
- Key roles in the organisational structure
- Trustee person specification

Key management remuneration policy

The trustees set the management teams salary in line with industry expectations. These salaries are reviewed yearly by the trustees.

Risk assessment

The trustees acknowledge the Charity Commission's recommendation for them to undertake a review of the major risks to which the charity is exposed. The Trustees will undertake a full risk assessment during the forthcoming year.

Organisational structure

The charity has a board of trustees who meet regularly during the year and are responsible for the strategic direction and policy of the charity. The management of the charity is delegated to the centre managers who are responsible for the operational management, supervision of staff and development of the core activities.

The new committee function, created by the main board of trustees provides additional detailed scrutiny and overall corporate direction, with the ability to make timely decisions which has been invaluable during an exceptional year, where the impacts of Covid 19 has required greater business focus. This structure fits neatly into the Executive Partnership Board where clear reporting lines and responsibilities have been established. Three additional key posts have been recruited to, a Commercial Director, Head of Finance and Resources plus a Business Administrator, these will all join the team in the first quarter of 2021, these key areas of support were all identified as part of the review undertaken earlier in the year.

Leisure United

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Structure, governance and management *(continued)*

Related parties

The Trust receives administration and management support from Sentinel Enterprises Limited. Sentinel Enterprises Limited is part of the Sentinel Leisure Trust group, of which Mr J Annis is a Trustee, Mr D J Gallagher was part of the key management personnel (retired from SLT on 22 February 2021) and Mr S Everett was CEO until 31 August 2019. The Trust also receives management consultancy from DGEMS Ltd of which Mr D Gallagher is a Director. Leisure United has a single representative on the board of the National Football Trust (NFT) which supports community facilities through facility development throughout the UK.

A board meeting was held on 8 October that voted to become a member of the NFT. As a consequence Leisure United has become the operational arm of the National Football Trust and is now wholly owned as a subsidiary company of the National Football Trust.

Any related party transactions are disclosed as required in the notes to these financial statements.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP 2015 (FRS102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Leisure United

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 March 2021

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

The trustees' annual report was approved on 13 December 2021 and signed on behalf of the board of trustees by:

Mr D J Gallagher (Chairman)
Trustee

Leisure United

Company Limited by Guarantee

Independent auditor's report to the members of Leisure United

Year ended 31 March 2021

Opinion

We have audited the financial statements of Leisure United (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), balance sheet, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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;
- 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 charity 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 charity'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.

Leisure United

Company Limited by Guarantee

Independent auditor's report to the members of Leisure United *(continued)*

Year ended 31 March 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Leisure United

Company Limited by Guarantee

Independent auditor's report to the members of Leisure United *(continued)*

Year ended 31 March 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity 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.

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:

- Enquiry of management and those charged with governance to confirm there are no instances of fraud or non-compliance with laws and regulations.
- Reviewing journal entries to ensure they are appropriate and do not indicate management override.
- Review of key accounting estimates, to ensure reasonable and no signs of management bias.
- Review of disclosures within the financial statements and vouching these to supporting documentation to ensure compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Leisure United

Company Limited by Guarantee

Independent auditor's report to the members of Leisure United *(continued)*

Year ended 31 March 2021

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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Proctor FCA DchA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

22 December 2021

Leisure United

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 31 March 2021

		2021		2020
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
		£	£	£
Income and endowments				
Charitable activities	5	1,432,779	1,432,779	2,581,582
Other trading activities	6	150,252	150,252	843,601
Other income	7	834,556	834,556	135,252
Total income		<u>2,417,587</u>	<u>2,417,587</u>	<u>3,560,435</u>
Expenditure				
Raising funds				
Costs of other trading activities	8	(48,628)	(48,628)	(320,508)
Charitable activities	9	(2,409,176)	(2,409,176)	(2,503,415)
Other expenditure	10	(3,075)	(3,075)	—
Total expenditure		<u>(2,460,879)</u>	<u>(2,460,879)</u>	<u>(2,823,923)</u>
Net (expenditure)/income and net movement in funds		<u>(43,292)</u>	<u>(43,292)</u>	<u>736,512</u>
Reconciliation of funds				
Total funds brought forward		302,691	302,691	(433,821)
Total funds carried forward		<u>259,399</u>	<u>259,399</u>	<u>302,691</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 27 form part of these financial statements.

Leisure United

Company Limited by Guarantee

Balance sheet

31 March 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	15		24,395		35,450
Investments	16		1		—
			<u>24,396</u>		<u>35,450</u>
Current assets					
Stocks	17	3,885		9,554	
Debtors	18	72,583		305,170	
Cash at bank and in hand		440,276		285,435	
		<u>516,744</u>		<u>600,159</u>	
Creditors: Amounts falling due within one year	19	(281,741)		(332,918)	
Net current assets			<u>235,003</u>		<u>267,241</u>
Total assets less current liabilities			<u>259,399</u>		<u>302,691</u>
Funds of the charity					
Unrestricted funds			<u>259,399</u>		<u>302,691</u>
Total charity funds	20		<u>259,399</u>		<u>302,691</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 13 December 2021, and are signed on behalf of the board by:

Mr D J Gallagher (Chairman)
Trustee

Company registration number: 10076004

The notes on pages 16 to 27 form part of these financial statements.

Leisure United

Company Limited by Guarantee

Statement of cash flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net (expenditure)/income	(43,292)	736,512
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	11,588	8,571
Interest payable and similar charges	33,878	66,976
Loss on disposal of tangible fixed assets	3,075	—
<i>Changes in:</i>		
Stocks	5,669	12,267
Trade and other debtors	232,587	(188,527)
Trade and other creditors	(51,178)	(755,012)
Cash generated from operations	192,327	(119,213)
Interest paid	(33,878)	(66,976)
Net cash from/(used in) operating activities	<u>158,449</u>	<u>(186,189)</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,608)	(29,023)
Acquisition of subsidiaries	(1)	—
Net cash used in investing activities	<u>(3,609)</u>	<u>(29,023)</u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	1	—
Net cash from financing activities	<u>1</u>	<u>—</u>
Net increase/(decrease) in cash and cash equivalents	154,841	(215,212)
Cash and cash equivalents at beginning of year	<u>285,435</u>	<u>500,647</u>
Cash and cash equivalents at end of year	<u>440,276</u>	<u>285,435</u>

The notes on pages 16 to 27 form part of these financial statements.

Leisure United

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is SGP Graves, Bochum Parkway, Sheffield, S8 8JR.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Going concern

The accounts have been prepared on a going concern basis, as the board consider the charity to be a going concern in light of the information detailed within the Trustees report on page 5.

The Trustees have considered the impact of Covid 19 when assessing the going concern status of the charity.

(c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

(d) Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from trading activities includes income earned from activities to raise funds for the charity and is recognised when entitlement has occurred.
- Subscriptions are included in the period to which they relate.
- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

(e) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.
- All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

(f) Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

(g) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

(h) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	33%, 25% and 20% straight line
-----------------------	---	--------------------------------

(i) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

(j) Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

(k) Redundancy

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the charity are accounted for on an accruals basis and included within employee benefits.

4. Limited by guarantee

The Company is limited by guarantee. In the event of winding up, each member is liable to contribute a sum not exceeding £1.

5. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Pitch income	785,231	785,231	1,800,772	1,800,772
Gym memberships	176,218	176,218	713,112	713,112
Grants from government or public bodies	471,330	471,330	67,698	67,698
	<u>1,432,779</u>	<u>1,432,779</u>	<u>2,581,582</u>	<u>2,581,582</u>

During the year ended 31 March 2021 £150,654 (2020; £67,698) was received from government or public bodies. During the year ended 31 March 2021 £320,676 (2020; £nil) of Covid-19 grant funding was received.

6. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Catering income	110,713	110,713	730,739	730,739
Other trading income	39,539	39,539	112,862	112,862
	<u>150,252</u>	<u>150,252</u>	<u>843,601</u>	<u>843,601</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

7. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Other income	44,206	44,206	118,200	118,200
Covid 19 Job Retention Scheme	790,350	790,350	17,052	17,052
	<u>834,556</u>	<u>834,556</u>	<u>135,252</u>	<u>135,252</u>

8. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Catering costs	<u>48,628</u>	<u>48,628</u>	<u>320,508</u>	<u>320,508</u>

9. Expenditure on charitable activities

	Unrestricted £	Total Funds 2021 £	Unrestricted £	Total Funds 2020 £
Wages and salaries	1,547,905	1,547,905	1,668,274	1,668,274
Operating leases	—	—	233,815	233,815
Rates and water	19,028	19,028	48,007	48,007
Light and heat	201,576	201,576	263,103	263,103
Repairs and maintenance	109,708	109,708	162,299	162,299
Insurance	34,003	34,003	22,432	22,432
Equipment purchase	11,382	11,382	41,421	41,421
Telephone	19,443	19,443	17,078	17,078
Other office costs	48,322	48,322	77,838	77,838
Training	—	—	736	736
Uniform	1,743	1,743	11,424	11,424
Licences and subscriptions	49,268	49,268	(277,188)	(277,188)
Advertising and marketing	45,893	45,893	29,601	29,601
Support services	268,073	268,073	125,039	125,039
Depreciation	11,588	11,588	8,571	8,571
Bank charges	33,878	33,878	66,976	66,976
Governance costs	7,366	7,366	3,989	3,989
	<u>2,409,176</u>	<u>2,409,176</u>	<u>2,503,415</u>	<u>2,503,415</u>

Analysis of Governance costs

	2021 £	2020 £
Audit fees	6,000	4,860
Prior year under accrual/(over accrual)	1,366	(871)
	<u>7,366</u>	<u>3,989</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

10. Other expenditure

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Loss on disposal of tangible fixed assets held for charity's own use	<u>3,075</u>	<u>3,075</u>	<u>—</u>	<u>—</u>

11. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	11,588	8,571
Loss on disposal of tangible fixed assets	3,075	—
Operating lease rentals	<u>—</u>	<u>233,815</u>

12. Auditors remuneration

	2021 £	2020 £
Fees payable for audit	<u>7,366</u>	<u>3,989</u>
Other professional services	<u>—</u>	<u>657</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

13. Staff costs

Total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	1,453,431	1,490,091
Social security costs	67,012	79,291
Employer pension costs	20,660	21,682
	<hr/>	<hr/>
	1,541,103	1,591,064
Self employed instructors	6,802	77,210
	<hr/>	<hr/>
	1,547,905	1,668,274

The average number of persons employed by the charity during the year amounted to 139 (2020: 125)

One employee received an income of more than £60,000 during the year (2020: nil).

The key management personnel of the charity comprise of the Managing Director, Director of Operations and Business Systems Manager. The total employee benefits of the key management personnel of the charity were £58,256 (2020: £nil). The Managing Director also provided management consultancy throughout the year receiving fees in total of £76,598 (2020: £nil), detailed on note 23.

Wages and salaries include statutory redundancy pay of £1,569 (2020: £nil).

14. Trustee remuneration and expenses

Other than that noted in note 23, no remuneration or other benefits from employment with the charity were received by the trustees.

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

15. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2020	46,385
Additions	3,608
Disposals	<u>(7,180)</u>
At 31 March 2021	<u>42,813</u>
Depreciation	
At 1 April 2020	10,935
Charge for the year	11,588
Disposals	<u>(4,105)</u>
At 31 March 2021	<u>18,418</u>
Carrying amount	
At 31 March 2021	<u>24,395</u>
At 31 March 2020	<u>35,450</u>

16. Investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2020	—
Additions	<u>1</u>
At 31 March 2021	<u>1</u>
Impairment	
At 1 April 2020 and 31 March 2021	<u>—</u>
Carrying amount	
At 31 March 2021	<u>1</u>
At 31 March 2020	<u>—</u>

All investments shown above are held at valuation.

Leisure United Enterprises Limited was incorporated on 28 March 2021, the company is a wholly owned subsidiary of Leisure United. The company was dormant from date of incorporation to 31 March 2021.

17. Stocks

	2021 £	2020 £
Items for resale	<u>3,885</u>	<u>9,554</u>

Stock held at the year end represents food held for resale.

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

18. Debtors

	2021 £	2020 £
Trade debtors	15,346	140,705
Prepayments and accrued income	34,307	164,465
Other debtors	22,930	—
	<u>72,583</u>	<u>305,170</u>

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	126,932	119,924
Amounts owed to group undertakings	1	—
Social security and other taxes	39,419	37,298
Accruals and deferred income	111,631	175,696
Other creditors	3,758	—
	<u>281,741</u>	<u>332,918</u>

	2021 £	2020 £
Deferred income brought forward	21,998	17,117
Released during the year	(21,998)	(17,117)
Deferred during the year	—	21,998
Deferred income carried forward	<u>—</u>	<u>21,998</u>

Deferred income relates to gym membership fees received for future periods.

20. Analysis of charitable funds

	At 31 March 2020 £	Income £	Expenditure £	At 31 March 2021 £
General funds	<u>302,691</u>	<u>2,417,587</u>	<u>(2,460,879)</u>	<u>259,399</u>

Year ended 31 March 2020

	At 31 March 2019 £	Income £	Expenditure £	At 31 March 2020 £
General funds	<u>(433,821)</u>	<u>3,560,435</u>	<u>(2,823,923)</u>	<u>302,691</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

21. Analysis of net assets between funds

	Unrestricted funds	Total Funds
	£	2021 £
Fixed assets	24,395	24,395
Current assets	516,744	516,744
Creditors less than 1 year	(281,740)	(281,740)
	<u>259,399</u>	<u>259,399</u>

Year ended 31 March 2020

	Unrestricted funds	Total Funds
	£	2020 £
Fixed assets	35,450	35,450
Current assets	600,159	600,159
Creditors less than 1 year	(332,918)	(332,918)
	<u>302,691</u>	<u>302,691</u>

22. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	285,435	154,841	440,276
Debt due within one year	—	(1)	(1)
	<u>285,435</u>	<u>154,840</u>	<u>440,275</u>

23. Operating lease commitments

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	367,379	367,379
Later than 1 year and not later than 5 years	760,368	760,368
	<u>1,127,747</u>	<u>1,127,747</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

24. Related parties

The Charity receives administration and management support from Sentinel Enterprises Limited. Sentinel Enterprises Limited was part of the Sentinel Leisure Trust group, of which Mr J Annis and Mr Stephen Ardley are both Trustees, Mr D J Gallagher is part of the key management personnel (who retired from SLT 22 February 2021) and Mr S Everett was CEO until 31 August 2019. During the year services provided by Sentinel Enterprises Limited was transferred to SLT Enterprises Limited which is also associated with the Sentinel Leisure Trust group. It should be noted that Sarah Wakefield became a trustee of Leisure United after her resignation when from Sentinel Leisure Trust as Head of Finance.

During the year the following related party transactions were undertaken:

	2021 £	2020 £
Sentinel Enterprises Limited		
Administration and management support	—	77,000
Amounts owing to Sentinel Enterprises Limited at the year end	—	52,800
SLT Enterprises Limited		
Administration and management support	73,591	—
Amounts owing to SLT Enterprises Limited at the year end	14,400	—
Sentinel Leisure Trust		
Recharged expenses	243	1,257

The Trust also received income from Sentinel Leisure Trust during the year in the form of Mr D Gallagher's recharged expenses.

Sentinel Leisure Trust		
Recharged expenses received	195	422
Amounts owing to Leisure United at the year end	195	293

The Trust receives administration and management support from Twenty20 Associates Ltd of which Mr S Everett and Mr D J Gallagher are directors.

During the year the following related party transactions were undertaken:

	2021 £	2020 £
Twenty20 Associates Ltd		
Administration and management support	—	16,250
Amounts owing to Twenty20 Associates Ltd at the year end	—	1,500

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

The Trust receives administration and management support from Mr John Hodd who was a director and Trustee of Leisure United.

During the year the following related party transactions were undertaken:

	2021	2020
	£	£
Mr J Hodd		
Administration and management support	<u>1,500</u>	<u>18,510</u>
Amounts owing to Mr J Hodd at the year end	<u>—</u>	<u>1,500</u>

The Trust receives administration and management support from DGEMS Ltd of which Mr D J Gallagher is a director.

During the year the following related party transactions were undertaken:

	2021	2020
	£	£
DGEMS Ltd		
Administration and management support	<u>18,000</u>	<u>—</u>
Amounts owing to DGEMS Ltd at the year end	<u>3,000</u>	<u>—</u>

The Trust receives marketing support from Blue Dawn Pictures of which is controlled by a close family member of the key management personnel.

During the year the following related party transactions were undertaken:

	2021	2020
	£	£
Blue Dawn Pictures		
Administration and management support	<u>28,127</u>	<u>—</u>

Leisure United

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 March 2021

The Trust receives administration and management support from SQ1 Management which is controlled by Mr W Ormerod (Managing Director of the trust).

During the year the following related party transactions were undertaken:

	2021 £	2020 £
SQ1 Management		
Administration and management support	<u>76,598</u>	<u>—</u>
Amounts owing to SQ1 Management at the year end	<u>11,890</u>	<u>—</u>