

REGISTERED COMPANY NUMBER: 00622773 (England and Wales)  
REGISTERED CHARITY NUMBER: 301328

REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021  
FOR  
HARLOW AND DISTRICT SPORTS TRUST

Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

**HARLOW AND DISTRICT SPORTS TRUST**

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**for the Year Ended 31 March 2021**

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## **HARLOW AND DISTRICT SPORTS TRUST**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and Activities**

The principle objective, as set out in the Memorandum and Articles of Association, is to provide or to assist in providing facilities for recreation, physical education or other leisure time occupation in or in connection with the town of Harlow and its neighbourhood. Such facilities to be available to the public at large, save that special facilities may be provided for persons whom by reason of their youth, age, infirmity or disability, poverty, or social or economic circumstances may have need of special facilities.

The Trust has remained true to its original objectives which have not changed throughout the sixty two years of its existence. In order to stay ahead of changing trends in sports and leisure the Trust has to invest in state of the art equipment and facilities which can be costly. It is therefore important to strike a balance between its social role to keep charges relatively affordable, and at the same time fulfilling its responsibilities of providing the highest level of customer service to its customers.

#### **FINANCIAL REVIEW**

##### **Reserves policy**

Restricted funds are those set aside due to specific restrictions placed upon the usage of the funds by the donors. restricted voluntary income received is immediately placed in a deposit bank account as required by its underlying funding agreement terms and conditions. Transfers are made from unrestricted funds to restricted reserves in addition to the above so as to make full provision for Lifecycle costs as recommended in the 30 year projection. Some adjustments have taken place to the Lifecycle contributions in this year as there were enforced closures by the government due to the Covid-19 pandemic.

The Finance Committee holds regular quarterly meetings and examines income and expenditure each month to ensure that spending is according to budgets set. The short and long term goal of the Trust is to generate enough surplus such that six months of working capital, (i.e. unrestricted funds, excluding revaluation reserves, not committed or otherwise invested) is available at any point in time. To be noted that in this year some issues were dealt with directly by the Trustee Board due to the ongoing pandemic restrictions.

The Trust as a charitable organisation is entitled to mandatory rate relief of 80%. Harlow District Council (HDC) can also show discretion on the remaining 20% of the rates but HDC had been unable to provide this additional discretionary relief. As a one off due to the pandemic HDC did not charge any rates for this year.

The Trust agreed a financial strategy to reduce the operational costs each year, in order to be grant free by the year 2018, and this was achieved. The strategy is to continue to build reserves through planned operating surpluses in order to appropriately service the Lifecycle Fund and build a contingency for risks and new capital projects. Ever since the move to Leisurezone, the Trust has been operating under tough economic conditions. Reduced operational costs are based on improving the level of income achieved and efficiency savings. The Trust financial strategy has proven to be very successful and the building up of reserves has helped to sustain the organisation during a year when the centre was only open for 33% of the year, due to the Covid-19 pandemic.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

Incorporated on 10 March 1959, under Companies Act 1948, the Trust is a company which is limited by the guarantees of its members to a maximum of £1 each. The Trust is governed by the terms of its Memorandum and Articles of Association. The company registration number is 622773. The company is also a registered charity, number 301328.

##### **Governance**

The Trust is strategically governed by 12 people, on the board of trustees to whom the three committees, namely the Finance Committee, Remuneration Committee and the Human Resources Committee are accountable. Trustees who served the charity during the year are listed in the report of trustees.

The chairperson of the board retires annually and a new one is elected every year. The current Chairman, Pat Hay has been in office since September 2007 and has been re-elected each year. The appointed Vice Chairman to the Board, Robin Alton, has also continued to take a leading role on various issues.

##### **Trustee Recruitment, Induction and Training**

The Trust has been fortunate enough to benefit from a relatively stable board of trustees during the last 15 years.

##### **Management**

Tonia Gosling the Chief Executive Officer (CEO) is assisted in her duties by the Finance Manager Mujtaba Shafi and the Human Resources Manager Jacqui Cornaby, Facilities Manager, Jamie Hasler, Operations Manager Steve Perry and Marketing Manager Nichola McKie. The team guides the growth of the Trust with the help of two hundred and sixty three employees (45.7 FTE's). However, for the majority of the year, most staff were furloughed due to centre closure due to the pandemic. Operationally the Trust is based at the £25m state of the art, wet and dry leisure centre, known as Leisurezone, which was completed in 2010.

**HARLOW AND DISTRICT SPORTS TRUST**

**REPORT OF THE TRUSTEES**  
**for the Year Ended 31 March 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

00622773 (England and Wales)

**Registered Charity number**

301328

**Registered office**

Harlow Leisurezone  
Second Avenue  
Harlow  
Essex  
CM20 3DT

**Trustees**

P Hay  
R Alton  
D Fenny  
C Cochrane  
T Crisp  
R Little  
D Sharp  
J Wright  
G H Horecka  
L J Lomas  
J W Abbott  
L F Clark

**Auditors**

Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

**Main Bankers**

Lloyds Bank plc  
25 East Gate  
Harlow  
Essex CM20 1LD

**Chief Executive**

T Gosling

**Solicitors**

Whiskers LLP  
6 Mitre Buildings  
Kitson Way  
Harlow  
Essex CM20 1DR



## HARLOW AND DISTRICT SPORTS TRUST

### REPORT OF THE TRUSTEES for the Year Ended 31 March 2021

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which 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 auditors are 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 auditors are aware of that information.

#### **AUDITORS**

The auditors, Brindley Millen Ltd, were reappointed at the 2018 AGM to continue their term.

Approved by order of the board of trustees on 27/9/21 and signed on its behalf by:

.....  
P Hay - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARLOW AND DISTRICT SPORTS TRUST**

### **Opinion**

We have audited the financial statements of Harlow and District Sports Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARLOW AND DISTRICT SPORTS TRUST**

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

### **Our 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 a Report of the Independent Auditors 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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those covered by the Statement of Recommended Practice for Charities (SORP 2019) and the Charities Act 2011. We assessed the risk of material misstatement in respect of fraud by making enquiries of management and trustees and by testing the implementation of accounting controls in place.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above by making enquiries with key personnel and reviewing relevant documentation such as minutes of Trustee meetings and correspondence with regulatory bodies. We considered the risk of fraud through management override by incorporation testing of journal entries and reviewing any requirements to meet performance targets. We also considered, and tested for, the possibility of unauthorised payments to related parties.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **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 auditors' 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.



Maurice Brindley FCA BSc (Senior Statutory Auditor)  
for and on behalf of Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

Date: 27/9/21

# HARLOW AND DISTRICT SPORTS TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the Year Ended 31 March 2021

				31.3.21	31.3.20
	Notes	Unrestricted funds £	Designated (Lifecycle) Funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
External Contributions	2	-	-	12	6,945
<b>Charitable activities</b>	4				
Leisure Activities		2,002,977	-	-	4,396,293
Investment income	3	<u>5,298</u>	<u>22,049</u>	<u>1</u>	<u>45,096</u>
<b>Total</b>		2,008,275	22,049	13	4,448,334
<b>EXPENDITURE ON Charitable activities</b>					
Leisure Activities	5	<u>2,276,411</u>	<u>56,239</u>	<u>-</u>	<u>3,597,342</u>
<b>NET INCOME/(EXPENDITURE)</b>		(268,136)	(34,190)	13	850,992
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit schemes		<u>146,000</u>	<u>-</u>	<u>-</u>	<u>(190,000)</u>
<b>Net movement in funds</b>		(122,136)	(34,190)	13	660,992
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>4,954,000</u>	<u>4,755,969</u>	<u>64,416</u>	<u>9,774,385</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>4,831,864</u>	<u>4,721,779</u>	<u>64,429</u>	<u>9,774,385</u>

The notes form part of these financial statements



**HARLOW AND DISTRICT SPORTS TRUST (REGISTERED NUMBER: 00622773)**

**BALANCE SHEET**

**31 March 2021**

				31.3.21	31.3.20
	Notes	Unrestricted funds £	Designated (Lifecycle) Funds £	Restricted funds £	Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	4,345,592	-	-	4,345,592
<b>CURRENT ASSETS</b>					
Stocks	12	1,054	-	-	1,054
Debtors	13	159,924	-	-	159,924
Cash at bank and in hand		1,676,408	4,738,831	64,429	6,479,668
		1,837,386	4,738,831	64,429	6,640,646
<b>CREDITORS</b>					
Amounts falling due within one year	14	(829,114)	(17,052)	-	(846,166)
<b>NET CURRENT ASSETS</b>		1,008,272	4,721,779	64,429	5,794,480
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,353,864	4,721,779	64,429	10,140,072
<b>PENSION LIABILITY</b>	16	(522,000)	-	-	(522,000)
<b>NET ASSETS</b>		4,831,864	4,721,779	64,429	9,618,072
<b>FUNDS</b>	15				
Unrestricted funds				9,553,643	9,709,969
Restricted funds				64,429	64,416
<b>TOTAL FUNDS</b>				9,618,072	9,774,385

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

The financial statements were approved by the Board of Trustees and authorised for issue on 27/9/21 and were signed on its behalf by:

  
P Hay - Trustee

The notes form part of these financial statements

**HARLOW AND DISTRICT SPORTS TRUST****CASH FLOW STATEMENT**  
**for the Year Ended 31 March 2021**

	Notes	31.3.21 £	31.3.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(399,608)</u>	<u>575,090</u>
Net cash (used in)/provided by operating activities		<u>(399,608)</u>	<u>575,090</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(7,600)	(345,903)
Interest received		<u>27,348</u>	<u>45,096</u>
Net cash provided by/(used in) investing activities		<u>19,748</u>	<u>(300,807)</u>
 <b>Change in cash and cash equivalents in the reporting period</b>		 (379,860)	 274,283
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>6,859,528</u>	<u>6,585,245</u>
 <b>Cash and cash equivalents at the end of the reporting period</b>		 <u><u>6,479,668</u></u>	 <u><u>6,859,528</u></u>

The notes form part of these financial statements

## HARLOW AND DISTRICT SPORTS TRUST

### NOTES TO THE CASH FLOW STATEMENT for the Year Ended 31 March 2021

#### 1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.21 £	31.3.20 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(302,313)	850,992
Adjustments for:		
Interest received	(27,348)	(45,096)
Increase in stocks	(228)	-
(Increase)/decrease in debtors	(102,712)	40,447
Increase/(decrease) in creditors	<u>32,993</u>	<u>(271,253)</u>
Net cash (used in)/provided by operations	<u>(399,608)</u>	<u>575,090</u>

#### 2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>6,859,528</u>	<u>(379,860)</u>	<u>6,479,668</u>
	<u>6,859,528</u>	<u>(379,860)</u>	<u>6,479,668</u>
Total	<u>6,859,528</u>	<u>(379,860)</u>	<u>6,479,668</u>



## HARLOW AND DISTRICT SPORTS TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2021

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements and assessment of going concern**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are presented in sterling (£).

##### **Critical accounting judgements and key sources of estimation uncertainty**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

##### **Useful economic life of tangible fixed 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 reassessed 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.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Tangible fixed assets**

The fixed assets are recorded at cost except that the leasehold property is shown at market value. Tangible fixed assets are capitalised if they cost in excess £15,000 plus irrecoverable VAT.

Harlow and District Sports Trust have been granted a long leasehold interest of 125 years in the Leisurezone by Harlow District Council which expires in September 2135.

Depreciation is not charged against the property, as the trustees consider that the depreciated replacement cost to be equal with the valuation.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all directly attributable costs, less trade discounts, rebates and subsidies.

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued as the amount prepaid.

##### **Cash at bank and in hand**

Cash at bank and in hand includes cash and a number of bank accounts. The charity has split its cash holdings across a number of financial institutions in order to manage risk.

##### **Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

## HARLOW AND DISTRICT SPORTS TRUST

### NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

#### **1. ACCOUNTING POLICIES - continued**

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated Funds represent funds set aside by the trustees on a regular basis to meet certain specific objectives.

Restricted funds can only be used for particular restricted purposes due to restrictions placed upon the usage of the funds by donors.

##### **Pension costs and other post-retirement benefits**

The Trust operates two types of pension schemes. One is a defined benefits scheme and the other is a defined contribution scheme.

The defined benefit pension scheme includes only a few of the existing employees, and is based on final pensionable pay. The assets of the scheme are held separately from those of the Trust. The contributions are determined by a qualified actuary and are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Trust.

Pension scheme liabilities are measured on an actuarial basis using the projected unit method of valuation. The pension scheme deficit is recognised in full on the balance sheet. There are no deferred tax implications.

The defined contribution pension scheme is operated for new employees, employer contributions are charged to the Statement of Financial Activities in the year that they are incurred.

##### **Financial instruments**

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

#### **2. EXTERNAL CONTRIBUTIONS**

	31.3.21	31.3.20
	£	£
Stadium lifecycle contribution	<u>12</u>	<u>6,945</u>

#### **3. INVESTMENT INCOME**

	31.3.21	31.3.20
	£	£
Deposit account interest	<u>27,348</u>	<u>45,096</u>

#### **4. INCOME FROM CHARITABLE ACTIVITIES**

	Activity	31.3.21	31.3.20
		£	£
Income from Activities	Leisure Activities	992,624	3,922,694
General Income	Leisure Activities	13,318	92,894
Grants	Leisure Activities	609,203	-
Rental income from tenants	Leisure Activities	350,305	339,596
Studio, Service charge & misc	Leisure Activities	<u>37,527</u>	<u>41,109</u>
		<u>2,002,977</u>	<u>4,396,293</u>

Grants received, included in the above, are as follows:

	31.3.21	31.3.20
	£	£
Furlough grant received	<u>609,203</u>	<u>-</u>

## HARLOW AND DISTRICT SPORTS TRUST

### NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

#### 5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Leisure Activities	<u>845,938</u>	<u>1,486,712</u>	<u>2,332,650</u>

#### 6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Leisure Activities	<u>1,459,643</u>	<u>27,069</u>	<u>1,486,712</u>

#### 7. NET INCOME/(EXPENDITURE)

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

	31.3.21 £	31.3.20 £
Auditors' remuneration	<u>9,209</u>	<u>9,182</u>

#### 8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

The key management of personnel of the charity, comprise the trustees, CEO, finance manager and personnel manager. The total employee benefits of the key management of the charity were £204,110 (2020 £204,647)

##### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

#### 9. STAFF COSTS

	31.3.21 £	31.3.20 £
Wages and salaries	1,272,455	1,513,847
Social security costs	57,476	70,909
Other pension costs	<u>99,856</u>	<u>97,637</u>
	<u>1,429,787</u>	<u>1,682,393</u>

The average monthly number of employees during the year was as follows:

	31.3.21	31.3.20
Management and administration	10	10
Maintenance and grounds	2	2
Customer service and other staff	<u>34</u>	<u>35</u>
	<u>46</u>	<u>47</u>

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

	31.3.21	31.3.20
£80,001 - £90,000	<u>1</u>	<u>1</u>



# HARLOW AND DISTRICT SPORTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

### 10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated (Lifecycle) Funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
External Contributions	-	-	6,945	6,945
<b>Charitable activities</b>				
Leisure Activities	4,396,293	-	-	4,396,293
Investment income	<u>11,745</u>	<u>33,351</u>	<u>-</u>	<u>45,096</u>
<b>Total</b>	4,408,038	33,351	6,945	4,448,334
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Leisure Activities	<u>3,597,342</u>	<u>-</u>	<u>-</u>	<u>3,597,342</u>
<b>NET INCOME</b>	810,696	33,351	6,945	850,992
<b>Transfers between funds</b>	<u>(489,167)</u>	<u>489,167</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	<u>(190,000)</u>	<u>-</u>	<u>-</u>	<u>(190,000)</u>
<b>Net movement in funds</b>	131,529	522,518	6,945	660,992
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<u>4,822,471</u>	<u>4,233,451</u>	<u>57,471</u>	<u>9,113,393</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>4,954,000</u>	<u>4,755,969</u>	<u>64,416</u>	<u>9,774,385</u>

### 11. TANGIBLE FIXED ASSETS

	Long leasehold £
<b>COST</b>	
At 1 April 2020	4,337,992
Additions	<u>7,600</u>
At 31 March 2021	<u>4,345,592</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>4,345,592</u>
At 31 March 2020	<u>4,337,992</u>

The leasehold property, Leisurezone, was valued by Strutt & Parker LLP, Chartered Surveyors. The valuation of £2,500,000 as at 31 March 2011 was for its then "existing use and present condition" as a fully-equipped operational entity, having regard to trading potential. The trustees have reviewed their valuation policy inclusive of auditor recommendations and on 26 October 2020 concluded that a policy of no further updating of the valuation would be necessary.

# **HARLOW AND DISTRICT SPORTS TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **for the Year Ended 31 March 2021**

### **11. TANGIBLE FIXED ASSETS - continued**

Subsequently the charity has capitalised additional items as shown below.

	£
Initial valuation	2,500,000
Car park	1,045,920
Trampoline park	<u>799,672</u>
Total cost	<u>4,345,592</u>

These assets will be maintained in the same way as the property, therefore the trustees do not consider that depreciation should be charged.

### **12. STOCKS**

	31.3.21	31.3.20
	£	£
Miscellaneous	<u>1,054</u>	<u>826</u>

### **13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21	31.3.20
	£	£
Trade debtors	28,241	4,221
Other debtors	131,555	52,991
VAT	<u>128</u>	<u>-</u>
	<u>159,924</u>	<u>57,212</u>

### **14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21	31.3.20
	£	£
Trade creditors	256,231	337,107
Social security and other taxes	14,381	39,306
VAT	-	3,243
Other creditors	565,073	420,138
Accruals and deferred income	<u>10,481</u>	<u>13,379</u>
	<u>846,166</u>	<u>813,173</u>

### **15. MOVEMENT IN FUNDS**

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
<b>Unrestricted funds</b>			
General fund	5,622,000	(268,136)	5,353,864
Defined benefit pension scheme	(668,000)	146,000	(522,000)
Designated (Lifecycle) Fund - Maintenance	3,569,653	(43,482)	3,526,171
Designated (Lifecycle) Fund - Equipment	<u>1,186,316</u>	<u>9,292</u>	<u>1,195,608</u>
	9,709,969	(156,326)	9,553,643
<b>Restricted funds</b>			
Harlow Town Football Club	<u>64,416</u>	<u>13</u>	<u>64,429</u>
<b>TOTAL FUNDS</b>	<u>9,774,385</u>	<u>(156,313)</u>	<u>9,618,072</u>

# **HARLOW AND DISTRICT SPORTS TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **for the Year Ended 31 March 2021**

### **15. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	2,008,275	(2,276,411)	-	(268,136)
Defined benefit pension scheme	-	-	146,000	146,000
Designated (Lifecycle) Fund - Maintenance	12,757	(56,239)	-	(43,482)
Designated (Lifecycle) Fund - Equipment	<u>9,292</u>	<u>-</u>	<u>-</u>	<u>9,292</u>
	2,030,324	(2,332,650)	146,000	(156,326)
<b>Restricted funds</b>				
Harlow Town Football Club	<u>13</u>	<u>-</u>	<u>-</u>	<u>13</u>
<b>TOTAL FUNDS</b>	<u>2,030,337</u>	<u>(2,332,650)</u>	<u>146,000</u>	<u>(156,313)</u>

### **Comparatives for movement in funds**

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
<b>Unrestricted funds</b>				
General fund	5,300,471	810,696	(489,167)	5,622,000
Defined benefit pension scheme	(478,000)	(190,000)	-	(668,000)
Designated (Lifecycle) Fund - Maintenance	3,158,921	21,565	389,167	3,569,653
Designated (Lifecycle) Fund - Equipment	<u>1,074,530</u>	<u>11,786</u>	<u>100,000</u>	<u>1,186,316</u>
	9,055,922	654,047	-	9,709,969
<b>Restricted funds</b>				
Harlow Town Football Club	<u>57,471</u>	<u>6,945</u>	<u>-</u>	<u>64,416</u>
<b>TOTAL FUNDS</b>	<u>9,113,393</u>	<u>660,992</u>	<u>-</u>	<u>9,774,385</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	4,408,038	(3,597,342)	-	810,696
Defined benefit pension scheme	-	-	(190,000)	(190,000)
Designated (Lifecycle) Fund - Maintenance	21,565	-	-	21,565
Designated (Lifecycle) Fund - Equipment	<u>11,786</u>	<u>-</u>	<u>-</u>	<u>11,786</u>
	4,441,389	(3,597,342)	(190,000)	654,047
<b>Restricted funds</b>				
Harlow Town Football Club	<u>6,945</u>	<u>-</u>	<u>-</u>	<u>6,945</u>
<b>TOTAL FUNDS</b>	<u>4,448,334</u>	<u>(3,597,342)</u>	<u>(190,000)</u>	<u>660,992</u>



## HARLOW AND DISTRICT SPORTS TRUST

### NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

#### 15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
<b>Unrestricted funds</b>				
General fund	5,300,471	542,560	(489,167)	5,353,864
Defined benefit pension scheme	(478,000)	(44,000)	-	(522,000)
Designated (Lifecycle) Fund - Maintenance	3,158,921	(21,917)	389,167	3,526,171
Designated (Lifecycle) Fund - Equipment	<u>1,074,530</u>	<u>21,078</u>	<u>100,000</u>	<u>1,195,608</u>
	9,055,922	497,721	-	9,553,643
<b>Restricted funds</b>				
Harlow Town Football Club	<u>57,471</u>	<u>6,958</u>	<u>-</u>	<u>64,429</u>
<b>TOTAL FUNDS</b>	<u>9,113,393</u>	<u>504,679</u>	<u>-</u>	<u>9,618,072</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	6,416,313	(5,873,753)	-	542,560
Defined benefit pension scheme	-	-	(44,000)	(44,000)
Designated (Lifecycle) Fund - Maintenance	34,322	(56,239)	-	(21,917)
Designated (Lifecycle) Fund - Equipment	<u>21,078</u>	<u>-</u>	<u>-</u>	<u>21,078</u>
	6,471,713	(5,929,992)	(44,000)	497,721
<b>Restricted funds</b>				
Harlow Town Football Club	<u>6,958</u>	<u>-</u>	<u>-</u>	<u>6,958</u>
<b>TOTAL FUNDS</b>	<u>6,478,671</u>	<u>(5,929,992)</u>	<u>(44,000)</u>	<u>504,679</u>

The Lifecycle Maintenance fund is for the maintenance of the organisations fixed assets

The Lifecycle Equipment fund is for the purchase of new equipment for the organisation

The Stadium Lifecycle fund is for the renewal of the 3G pitch at Harlow Town Football Club

In accordance with the government regulations the centre was closed for large parts of the year due to the COVID 19 pandemic and therefore no Lifecycle contributions were made to the designated funds in the financial year ending 31 March 2021.

#### 16. EMPLOYEE BENEFIT OBLIGATIONS

The Harlow and District Sports Trust participates in the Local Government Pension Scheme (LGPS) and this is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013, and is contracted out of the State Second Pension and currently provides benefits based on career average revalued earnings.

The results include an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargent cases which relate to age discrimination within the Judicial and Fire Pension schemes, respectively. These results, including the allowance, have been rolled forward and remeasured to obtain the accounting results as at 31 March 2021.

The scheme is now closed and is no longer available to new members. The estimated deficit as at 31 March 2021 was £522k.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31st March 2022 and will set contributions for the period from 1st April 2023 to 31st March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

## HARLOW AND DISTRICT SPORTS TRUST

### NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

#### **16. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Pension contributions charged during the year amounted to £48,780 (2019/20 £51,577).

To assess the value of the scheme liability at 31 March 2021, Barnett Waddingham have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2019, using financial assumptions that comply with FRS 102. The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them.

Barnett Waddingham are satisfied that the approach of rolling forward the previous valuation date to 31 March 2021 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information Barnett Waddingham have received they consider there appears to be no evidence that this approach is inappropriate. As required under the FRS102 accounting standard, the projected unit credit method of valuation has been used.

The minimum employer contributions due for Harlow and District Sports Trust over the inter-valuation period is 24.7% of pensionable pay, plus a sum of £33,843 was paid by Harlow and District Sports Trust in 2020/21 towards the deficiency in the fund. The value of the scheme's assets at 31 March 2021, as per Barnett Waddingham, was sufficient to cover 87.7% (2020: 87.7%) of the benefits that had accrued to its members.

Any payments to meet unfunded benefits which are recharged to the Trust, or financial strain payments made by Harlow and District Sports Trust are in addition to the above. Barnett Waddingham estimate the duration of the Employer's past service liability to be 16 years.

The estimated asset allocation of Harlow and District Sports Trust as at 31st March 2021 is as follows:

	31.03.21 £000's	31.03.21 %	31.03.20 £000's	31.03.20 %
<b>Employer Asset Share - Bid Value</b>				
Equities	3,747	62%	2,782	59%
Gilts	156	2%	205	4%
Other Bonds	304	5%	288	6%
Property	432	7%	427	9%
Cash / temporary investments	286	5%	198	4%
Alternative assets	701	12%	548	12%
Other managed funds	438	7%	306	6%
<b>Total</b>	<b>6,064</b>	<b>100%</b>	<b>4,754</b>	<b>100%</b>

Based on the above, the Employer's share of the assets of the Fund is approximately 0.07%

Asset and liability reconciliation:

	2021 £000's	2020 £000's
<b>Reconciliation of defined benefit obligation</b>		
Liabilities at start of period	5,422	5,515
Current service cost	76	84
Interest cost	126	128
Change in financial assumptions	1,219	(490)
Change in demographic assumptions	(62)	(9)
Experience loss/(gain) on defined benefit obligation	(66)	300
Estimated benefits paid net of transfers in	(146)	(143)
Past service cost, including curtailments	-	40
Contributions by Scheme participants	17	18
<b>Liabilities at end of period</b>	<b>6,586</b>	<b>5,422</b>



## HARLOW AND DISTRICT SPORTS TRUST

### NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2021

#### 16. EMPLOYEE BENEFIT OBLIGATIONS - continued

	2021 £000's	2020 £000's
<b>Reconciliation of fair value scheme</b>		
Assets at start of period	4,754	5,040
Interest in assets	111	118
Return on assets less interest	1,245	(376)
Other actuarial gains/(losses)	-	39
Administration expenses	(3)	(2)
Contributions by employer	86	81
Contributions by Fund participants	17	18
Estimated benefits paid	(146)	(164)
<b>Assets at end of period</b>	<b>6,064</b>	<b>4,754</b>

The actuarial valuation carried out by Barnett Waddingham, used the following major assumptions:

	2021 %p.a.	2020 %p.a.
<b>Financial Assumptions</b>		
RPI Increases	3.35%	2.80%
CPI Increases	2.90%	1.95%
Salary Increases	3.90%	2.95%
Pension Increases	2.90%	1.95%
Discount Rate	1.95%	2.35%

	2021	2020
<b>Life Assumptions - Life expectancy from age 65</b>		
Retiring today		
Males	21.6	21.8
Females	23.6	23.7
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

Salaries are assumed at increase at 1.0% p.a. above CPI in addition to a promotional scale. This is consistent with the approach at the previous accounting date.

#### 17. RELATED PARTY DISCLOSURES

During the year the trust spent £4,200 (2020: £16,586) with Derrick Wade Waters Chartered Surveyors in relation to property and site management. These sums represented good value for the trust and were on an arms length basis. Mr R Little, a trustee, is also a director of Derrick Wade Waters. He took no part in the decision making process and excluded himself from any discussions by the trustees in relation to the contract.

Harlow Health Centres Trust Limited have a rental agreement with the charity paying rent of £63,672. (2020: £73,000) Mr D Fenny, a trustee, is also a trustee of Harlow Health Centres Trust Limited. He takes no part in any decisions regarding the lease terms or premium.

By its nature the Trust contracts with many local organisations and businesses. In some instances board trustees may also be involved with other organisations. Great care is taken to ensure that Conflicts of Interest are managed and avoided. A Register of Interests is maintained and updated regularly.