

SHEFFIELD CITY TRUST

England & Wales · Charity number 700520

Details

Status Registered

Legal form Charitable company

Company number [02164600](#)

Registered 1988-08-05

Register [View on the Charity Commission register](#)

Contact

Address 4th Floor Fountain Precinct
Leopold Street
Sheffield
S1 2JA

Phone 0114 223 3800

Email info@SIVLTD.COM

Website www.sheffieldcitytrust.org.uk

Activities

Objects: (I) TO PROMOTE THE BENEFIT OF THE INHABITANTS OF SOUTH YORKSHIRE AND ITS SURROUNDING COUNTIES BY THE PROVISION OF FACILITIES FOR RECREATION AND LEISURE TIME OCCUPATION IN THE INTEREST OF SOCIAL WELFARE; (II) TO PROMOTE THE RELIEF OF POVERTY OF THE INHABITANTS OF THE CITY OF SHEFFIELD BY THE IMPROVEMENT AND PROVISION OF HOUSING; (III) TO PROMOTE AND PRESERVE GOOD PHYSICAL AND MENTAL HEALTH; (IV) THE ADVANCEMENT OF THE EDUCATION OF THE PUBLIC BY THE AID ESTABLISHMENT FUNDING OR SPONSORSHIP OF BURSARIES SCHOLARSHIPS OR GRANTS TO ANY PERSON OR PERSONS, INSTITUTION, ASSOCIATION OR CORPORATE BODY FOR THE PURPOSE OF FURTHERING THE OBJECTS OF THE COMPANY; (V) TO PROMOTE THE RELIEF OF ELDERLY PEOPLE, PEOPLE WITH DISABILITIES AND PEOPLE WITH SPECIAL NEEDS LIVING IN SHEFFIELD AND ITS ENVIRONS BY PROVIDING CARE AND CARE FACILITIES; (VI) THE ADVANCEMENT OF EDUCATION OF THE PUBLIC THROUGH THE PROVISION, MAINTENANCE AND SUPPORT OF MUSEUMS, ART AND CRAFT GALLERIES AND ARCHAEOLOGICAL SERVICES WITHIN SHEFFIELD AND ITS ENVIRONS; (VII) TO PROMOTE, MAINTAIN, IMPROVE AND ADVANCE PUBLIC EDUCATION BY THE ENCOURAGEMENT OF THE ARTS, INCLUDING THE ARTS OF SINGING, MUSIC, DANCE, DRAMA AND MIME AND TO FORMULATE, PREPARE AND ESTABLISH SCHEMES THEREFOR; (VIII) TO ACQUIRE, PRESERVE, RESTORE AND MAINTAIN FOR THE BENEFIT OF THE PUBLIC BUILDINGS OF HISTORIC AND ARCHITECTURAL INTEREST SITUATED IN SHEFFIELD; (IX) THE RELIEF OF POVERTY IN CASES OF NEED HARDSHIP OR DISTRESS AND TO ASSIST PERSONS WHO THROUGH THEIR SOCIAL AND ECONOMIC CIRCUMSTANCES ARE IN NEED AND UNABLE TO GAIN EMPLOYMENT; (X) SUCH CHARITABLE PURPOSES AS FOR THE GENERAL BENEFIT OF THE INHABITANTS OF THE CITY OF SHEFFIELD AND ITS ENVIRONS AS THE COMPANY SHALL IN ITS ABSOLUTE DISCRETION DETERMINE ON TERMS CONSISTENT WITH CHARITABLE PURPOSES IN ACCORDANCE WITH THE LAW OF ENGLAND AND WALES; (XI) SUCH OTHER CHARITABLE OBJECTS AS THE COMPANY SHALL FROM TIME TO TIME DETERMINE.

Activities: 1) Promoting the benefit of the inhabitants of South Yorkshire and surrounding counties through the provision of facilities for recreation and leisure time occupation, ad hoc initiatives and the provision of financial support to appropriate projects.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** SOUTH YORKSHIRE AND ITS SURROUNDING COUNTIES
- Sheffield City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£34,346,000	£58,274,000	£1,711,000	914
2024-03-31	£50,832,000	£58,056,000	£25,639,000	1036
2023-03-31	£41,546,000	£39,048,000	£32,863,000	965
2022-03-31	£33,077,000	£18,998,000	£30,330,000	707
2021-03-31	£25,820,000	£28,300,000	£12,178,000	790

Trustees

Name	Role	Appointed
David Grey MBE	Chair	2017-01-13
ALEXANDER WILLIAM PETTIFER MBE		2019-08-01
JOHN WARNER		2011-03-04

SHEFFIELD CITY TRUST

England & Wales - Charity number 700520

Accounts

Sheffield City Trust

Annual report and consolidated
financial statements

Registered number 2164600

Charity Registration Number 700520

Year ended 31 March 2025

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Trustees' and directors' report (including strategic report)

The trustees, who act as directors for the purpose of company law, are pleased to present their report and financial statements for the year ended 31 March 2025.

Purpose of the charity

The objects of the charity are as detailed in the charity's governing document, its Articles of Association.

- 1 An object of the charity is to promote the benefit of the inhabitants of South Yorkshire and surrounding counties by the provision of facilities for recreation and leisure time occupation in the interest of social welfare. The charity has continued in its policies of providing recreational and other leisure facilities of a high standard and as economically as possible. The charity seeks to encourage high levels of use by the community with policies that encourage wide public access. There has been no material change in these policies over the relevant period.
- 2 A further object of the charity is to promote and preserve good physical and mental health. The objective is pursued by encouraging high levels of use of recreational and leisure facilities by the community. In addition, the charity has a policy of carrying out ad hoc initiatives and giving financial support to appropriate projects which has been continued during the year.
- 3 Other objects of the charity include the encouragement of the arts and the acquisition, preservation, restoration and maintenance of buildings of historic and architectural interest in Sheffield.

Conclusion of Sheffield City Council's procurement processes

In January 2025, the procurement processes instigated by Sheffield City Council relating to the leisure and entertainment facilities in Sheffield, and which the charity had supported since entering into the Funding Agreement of 31 March 2022, were brought to a conclusion.

Under that Funding Agreement, the Council provided funding required to support the charity as anticipated by its business plan, on the basis that the charity would assist the Council with its procurement processes and transfer its undertaking and assets to the Council (or its nominees) at their conclusion. The Council agreed to fund the charity until the transfer and then through to a solvent winding-up. This arrangement extended the operational life of the charity, and allowed the trustees to continue delivering charitable outcomes for the people of Sheffield over the relevant period, before handing over the estate of facilities to the Council in the knowledge that they would continue to be available to the community under the procured contracts. Any amount representing over-payment by the Council under the 2022 Funding Agreement will be returned to the Council before the dissolution of the charity. Because of the funding relationship between the Council and the charity, advice was taken by the charity to ensure that at all times the trustees took decisions independently and with a view to promoting the objects of the charity and not for any other purpose.

Activities

In furtherance of the charity's object to provide facilities for recreation and other leisure time occupations Sheffield City Trust operated the following facilities directly in the year, until the transfer referred to in the previous became effective:

- Beauchief Golf Course (until 2 January 2025)
- Birley Golf Course (until 2 January 2025)
- Concord Sports Centre (until 2 January 2025)
- Heeley Swimming Pool and Gym (until 2 January 2025)
- Hillsborough Leisure Centre (until 2 January 2025)
- iceSheffield (until 2 January 2025)
- Ponds Forge International Sports Centre (until 2 January 2025)
- Sinfin Golf Course (until 31 July 2024)
- Springs Leisure Centre (until 2 January 2025)
- Tpton Park Golf Course (until 16 December 2024)
- Tinsley Park Golf Course (until 2 January 2025)

Before the transfer, the charity operated the following facilities through its Subsidiary, Sheffield International Venues Limited:

- English Institute of Sport – Sheffield (until 2 January 2025)

Trustees' and directors' report (including strategic report) (continued)

Activities (continued)

- Utilita Arena Sheffield (until 2 January 2025)
- Sheffield City Hall (until 6 January 2025)

Sheffield International Venues Limited also acted as principal for all commercial activity within the above venues.

Any profits made by Sheffield International Venues Limited, where the company has sufficient distributable reserves, will be passed back to the charity by way of a gift aided payment.

Activities for the 9 months up to the dates of transfer

The operation of leisure facilities continued to be the primary way in which the two main objects of the charity were achieved until it transferred venues to Sheffield City Council following their conclusion of the public procurement exercise. The trustees ensured that participation continued to grow throughout the 9 months to January 2025 and benchmarked attendance against national standards. Prices were set at a level that encouraged use by as many people as possible and many facilities were full at peak times.

Participation in health and sporting activities continued to rise during the year across the Charity, with the 2024 Olympics a supporting factor in this growth. Memberships on all programmes have seen growth, despite closures to key services to essential areas of some of our buildings. Free and discounted activities have been delivered in and out of venues to engage families to drive opportunities for all.

Our concessionary rates on all activities continued to alleviate the financial burden to an identified audience that typically would welcome this discount. The 40% discount was applied to all activities and has seen a very good uptake, specifically from families of children on free school meals. On coached admissions we had over 3,250 children benefiting from this each week.

The English Institute of Sport – Sheffield continued to be the home for GB Boxing, GB Para Badminton, GB Para Table Tennis and GB Goalball along with Sheffield Hallam University's Sport and Physical Activity academic learning. England Table Tennis moved their Elite Training Centre to Sheffield in April 2024, moving from Nottingham University. IceSheffield continued to be the home for the two main bodies large events, namely British Ice Skating and Ice Hockey UK. The Utilita Arena Sheffield is the home of the Elite Ice Hockey League team, the Sheffield Steelers.

The charity continued to partner with the National Centre for Sport and Exercise Medicine in Sheffield ('NCSEM') where clinical facilities are co-located with facilities for sport and exercise. At Concord Sports Centre, NHS patients were treated in an environment which promotes physical activity as medicine. The charity formed further partnerships with the NHS to engage programmes through usage of our facilities to assist people in their rehabilitation.

Essential maintenance work has been undertaken on various facilities in partnership with Sheffield City Council. The main piece of work has occurred at Springs Leisure Centre, which has seen the pool closed for a total of four months with scheduled opening in January 2025. The Netball Hall, a three-court hall at EISS, has had its flooring replaced as it came to the end of its lifecycle, with closure for six weeks.

We had a strong year on our event programme, with both regional, national and international events being hosted across the group. EIS Sheffield hosted international events in boxing through collaboration with Sheffield City Council and the National Governing Bodies (NGB's) that call Sheffield home. The work with the NGB's was focused around the Olympic/Paralympic Games in Paris, which saw athletes from Sheffield and our facilities achieve nine medals in total.

Golf has continued in its popularity, as it allows exercise while outside and socialising with friends. This had a positive effect on the use of all five of the charity's courses.

Our community development activities continued to support the local area away from the facilities. Work with school and education establishments saw engagement and support with over 120 local schools, through coaching, provision of equipment, tickets and subsidised venue hire. The Trust had a partner school programme, which had 30 schools in areas of deprivation work closely with staff to allow for opportunity and easier access to initiatives.

A Summer Sports Van programme saw large levels of engagement with a continuation in certain locations as we worked closely with Community Officers and Councillors. This sees activity and engagement, as well as food distribution as we looked to engage with different needs for local families. This work developed into consistent delivery in set communities across Sheffield, working with local officers to ensure that efforts were prioritised for those most in need.

Trustees' and directors' report (including strategic report) (continued)

Activities for the 9 months up to the dates of transfer (continued)

Our involvement in the Healthy Activities and Food (HAF) programme has again been extensive, with over 8,000 children accessing a range of our facilities as we provided activities and food for children on free school meals during holiday weeks. This delivery has seen children learning to swim and learning to skate, as well as partnering with various community organisations to ensure an offer was available to all local families that surround our leisure facilities.

Utilita Arena Sheffield and Sheffield City Hall delivered a wide and varied arts and entertainment programme hosting some of the most popular acts in music, comedy and theatre. Opera and ballet also appeared in the programme as well as the Sheffield International Classical Concert Season featuring both international and domestic orchestras. Community events have always been a major part of the charity's events diary, and these included the popular community tea dances and the local amateur dramatic society, Manor Operatic Society, who performed a week long musical in May (West Side Story - The Musical) and their traditional two week pantomime, Jack and the Beanstalk at Christmas.

Elite Ice Hockey League continued to play a major part of the events programme with the ongoing partnership with the Sheffield Steelers.

The charity did not set targets for grant giving as it was a comparatively small part of the work undertaken. As stated above, the provision and management of the facilities was the primary method of meeting the objects of the charity. The trustees monitor the level of funds in the designated fund (see note 4 of the financial statements) in order to ensure that they make best use of the limited income available and do make grants to community groups in Sheffield in order to support their work promoting sports and physical activity within their communities.

In measuring achievements against the above objectives, the charity used financial measures, a review of which is given below. In addition to financial performance measures, the charity monitored the performance of its venues using non-financial key performance indicators that gave information regarding attendance at each venue by activity, and split attendances by age and gender. These performance indicators were monitored against targets and previous years' results.

Financial Review

The funding agreements for the venues between the charity and Sheffield City Council mean the charity was entitled to receive income to partially fund its operating activities, which in the year amounted to £3,892,000 (2024: £10,080,000).

When considering the financial performance of the charity the trustees examined the results of each facility that the charity operated. In 2024/25 financial performance and attendance levels from community usage continued to grow across a comparable 9 month period, however the impact of continuing difficult economic circumstances on the majority of users continued to be felt. The group had positive unrestricted general reserves at 31 March 2025 of £1,707,000 (2024: £1,314,000).

Total incoming resources amounted to £34,346,000 (2024: £50,832,000) and total resources expended amounted to £58,274,000 (2024: £58,056,000) resulting in net outgoing resources before tax of £23,928,000 (2024: outgoing resources of £7,224,000).

The results of the charity's trading subsidiary, Sheffield International Venues Limited and also Phoenix Sports Limited are set out in note 2 to the financial statements.

The principal activities of Sheffield International Venues Limited in the year under review and until the transfer in January 2025, were the management of the facilities to deliver commercial income. These activities were in support of the charity's activities such as providing public catering in the buildings and supporting elite athletes to use the spaces when not in use by the general public. Sheffield International Venues also managed unrelated commercial activity that raised the profile of the charity and its facilities and generated income which was used to support the core charitable activities.

7 Hills Leisure Trust has not traded in the year and the objective of the charity in the year was to allow the orderly wind up of the charity. On 29 March 2023, the charity, together with its dormant subsidiary, 7 Hills Commercial Limited, and SIV Enterprises Limited entered Members Voluntary Liquidations (MVL) as part of a planned group simplification exercise. 7 Hills Leisure Trust was dissolved on 4 May 2025, 7 Hills Commercial Limited was dissolved on 14 September 2024 and SIV Enterprises Limited was dissolved on 30 April 2025.

Trustees' and directors' report (including strategic report) (continued)

Business review

The trustees consider the general trend in financial performance of the venues during the financial year and until it ceased to operate them, to be satisfactory considering the economic climate.

Sheffield City Council continues to support the charity financially under the existing funding agreements. In addition to venue-specific funding, Sheffield City Trust entered into an agreement with Sheffield City Council on 31 March 2022, which was updated by a Deed of Extension on 10 July 2023 to support the charity's operations and solvency over the period to December 2024 and beyond. This has allowed the trustees to continue to deliver services at normal levels and to deliver an orderly transfer of services to a new operator, as planned.

As disclosed in note 1, a procurement process was initiated by Sheffield City Council for the future operation of the charity's facilities, with the result that the company ceased to operate its facilities from January 2025, at which point SCT transferred its operational assets and staff to Sheffield City Council. The charity is now in a period of orderly wind down and is working towards a solvent liquidation, please refer to note 1 for further information. As such, the directors do not consider the charity to be a going concern.

Our pricing policy

Prices were set to enable as many people as possible to use the facilities while ensuring that income generated was sufficient to cover the costs of the charity. General economic trends led to sustained significant cost rises across much of our key expenditure items during the period venues were operated and therefore, as far as possible, focus was placed on generating a higher level of income by use of the facilities from both core charitable activities and commercial activities, managed by another company within the group. However, it was essential that prices remained affordable and in no way created a barrier to use of the facilities by any of the people of Sheffield and concessionary prices were used to ensure that the least wealthy were able to attend.

The trustees reviewed pricing for all charitable activities on an annual basis in order to deliver the best possible facilities to all citizens of Sheffield at affordable prices.

Investment powers and policy

The trustees balanced the needs of the organisation both to have funds available for the operations of the charity and the need to maximise investment returns. In recent years, interest rates have been higher than they have been and the charity has responded by moving its funds into accounts which generate a better return thus generating additional income.

No funds were invested in non-cash assets such as property or shares. All property owned by the charity was in order to deliver services directly to the beneficiaries. The trustees believed that the level of cash and bank assets owned was insufficient for the charity to consider investment in stock, shares or bonds, particularly in the current volatile climate for investments.

Pension Scheme

The charitable group contributed to a defined benefit pension scheme provided by South Yorkshire Pension Authority ("SYPA"). As disclosed in previous years a number of members transferred into the SYPA scheme under the provision of TUPE. The scheme closed to new members on 1 September 2009.

On 31 March 2022, the group entered into an agreement with Sheffield City Council in which the historic pension assets and liabilities transferred to Sheffield City Council, thus removing the deficit from the balance sheet of Sheffield City Trust. Sheffield City Trust continued to pay contributions into the scheme for all eligible employees, until March 25 when there ceased to be any active members, and the future benefits of those employees were unaffected by the change.

All new employees since 1 September 2009 who didn't join under the provisions of TUPE have been eligible to join a defined contribution, group money purchase scheme. Since 1 January 2014 the group has provided pensions under the auto-enrolment provisions and all new employees were automatically enrolled into the group money purchase scheme unless they decided to opt out.

Trustees' and directors' report (including strategic report) (continued)

Reserves policy

The reserves of the charity are split between restricted and unrestricted funds. It is the policy of the trustees to spend unrestricted reserves in pursuit of the charitable objectives in a way that maximises their value in meeting those objectives. At the end of the financial year, the charity had consolidated unrestricted funds of £1,711,000 (2024: £1,457,000) and restricted funds of £nil (2024: £24,182,000).

The movements in restricted funds of the charity are set out in note 5 of the financial statements.

The level of free reserves at the end of the financial year was £1,707,000 (2024: £418,000).

As described above under "Business Review", Sheffield City Council is supporting the costs of wind up of the charity, to its eventual planned solvent liquidation, under the Funding Agreement dated 31 March 2022. As the charity has ceased trading and is a significant way through its wind up activities, with this arrangement being the main financial support for the charity until its winding up, the trustees do not consider a reserves policy to be necessary. Any amount representing over-payment by the Council under the 2022 Funding Agreement will be returned to the Council before the dissolution of the Charity. For further information refer to 'plans for future periods'.

The 31 March 2022 Funding Agreement, together with the positive cash balances held by the charity, provide the trustees with the necessary comfort that it will achieve a solvent wind up.

Plans for future periods

Following conclusion of Sheffield City Council's public procurement process, Sheffield City Trust, ceased to operate any venues from January 2025. The charity is now in a period of orderly wind up and will shortly proceed to solvent liquidation, supported financially by Sheffield City Council.

Reference and administrative details

Charity Registration Number: 700520
Company Registration Number: 2164600

Registered Office

4th Floor Fountain Precinct
Leopold Street
Sheffield
S1 2JA

Secretary

LM Gavin

Advisers

Solicitor

Hemingways Solicitors Limited
11 Westbourne Road
Sheffield
S10 2QQ

Auditor

Crowe U.K. LLP
St George's House
56 Peter Street
Manchester
M2 3NQ

Banker

Barclays Bank Plc
10-12 Pinstone Street
Sheffield
S1 2HN

Directors and directors' interests

The trustees, who also act as directors, who held office during the year and after the year end are as follows:

P Abel (resigned 31 December 2024)
H Best (resigned 31 December 2024)
L Clarke (resigned 31 December 2024)
D Grey MBE
G Moore (deceased 1 December 2024)
A Pettifer MBE
R Plews (resigned 31 December 2024)
P Taylor (resigned 31 December 2024)
J Warner

The charity had an active Group Audit Committee until 31 December 2024 and Mr J Warner was chairman of that Group Audit Committee. The Group Audit Committee members were Mr J Warner and Mr R Plews.

Trustees' and directors' report (including strategic report) (continued)

Directors and directors' interests (continued)

From 1 January 2025, all matters that would have been dealt with by the Group Audit Committee were dealt with by the whole board.

From January 2025, the group, whilst still trading for a period, actively started to wind up its operations and as such, all matters of governance and oversight were dealt with by the whole board.

None of the trustees who held office at the end of the financial year had any disclosable interest in debentures of the charity or in any shares or debentures of any other group company.

According to the Register of Trustees' Interests, no rights to subscribe for debentures of the charity or in any shares or debentures of any other group company were granted to any of the trustees or their immediate families or exercised by them during the year.

Employees

The senior employee of the group for the 2024/25 financial year, is:

Chief Executive Andrew Snelling

Insurance for trustees and officers

Insurance for trustees and officers against liabilities in relation to the group, as permitted by the Companies Act 2006, is maintained under a policy held by Sheffield City Trust. The cost of this amounted to £13,000 (2024: £15,000).

Structure, governance and management

Sheffield City Trust is a company limited by guarantee and a registered charity and is governed by its Articles of Association. The trustees are the members of the charity under company law. The charity is domiciled and its principal place of business is in the UK.

Organisation of the charity

At present the charity has three trustees. Following the outcome of Sheffield City Council's tender process, the charity ceased to operate its remaining venues from January 2025, and is now in a period of finalising its affairs before it looks to wind up, therefore the charity does not intend to look to attract any further trustees.

During the year, the charity had five wholly owned subsidiaries, Sheffield International Venues Limited, SIV Enterprises Limited, Phoenix Sports Limited, a company limited by guarantee, which has complementary objects, 7 Hills Leisure Trust, a registered charity, with independent trustees, but of which the charity is the sole member and 7 Hills Commercial Limited. SIV Enterprises Limited, 7 Hills Leisure Trust and 7 Hills Commercial Limited were put into Members Voluntary Liquidation on 29 March 2023. They were dissolved on 30 April 2025, 4 May 2025 and 14 September 2024 respectively. Sheffield City Trust ceased being a member of Phoenix Sports Limited on 2 January 2025.

Sheffield International Venues Limited undertook all commercial activities in the venues in order to support the charitable activity.

The overall management and control of the charity's activities and finances during the financial year were vested in the Chief Executive, Andrew Snelling. The board of the charity met monthly throughout the financial year and Mr Snelling attended all meetings, reporting on all key operational and financial matters. During the financial year, there was a Group Audit Committee which met as required. There was also a Charitable Purposes Committee which focused on the work of the charity outside the venues and had three members, Helen Best, Chairwoman, Graham Moore and Peter Taylor. These committees ceased in December 2024 with all matters thereafter being dealt with by the whole board.

Trustee induction and training

On joining the charity, new trustees benefited from an induction process in which they spent some time with the chairman and chief executive and then the other senior managers and familiarised themselves with the operations of the charity and its subsidiaries.

Each trustee took a special interest in one aspect of the charity's operations or support functions to be able to act as a point of contact for senior management. As with any special skills that any trustees may have, this arrangement adds to the effectiveness of the trustee board but doesn't change the responsibility of all trustees for all aspects of the governance and activities of the charity.

Trustees' and directors' report (including strategic report) (continued)

Relationship with other charities and organisations

The charity co-operates closely with Sheffield City Council, as appropriate, in pursuit of its charitable objectives. The relationship is conducted in accordance with formal funding agreements. A councillor and an officer of the council are invited to attend as observers at each meeting of the board. The council did not appoint a nominee director to the board of Sheffield International Venues Limited in the year. The council reserves the right to appoint a director in the future.

Pay policy for senior staff

During the financial year, the trustees, who act as directors for the purpose of company law, consider that the board of trustees and the chief executive comprise the key management personnel of the charity in charge of directing and controlling and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received any remuneration in the year.

The pay of the chief executive was reviewed annually by the board of trustees. In view of the nature of the charity, the trustees benchmarked against pay levels in other leisure trusts and other similar organisations.

All such organisations are different, and the trustees were aware of the organisational complexities of the group and took this into consideration when comparing with larger charities. The trustees also looked at similar job roles in the local, Sheffield, economy and other local charitable organisations to ensure that salaries were reasonable within the market.

Management of risk

The trustees are responsible for ensuring the effective management of risk including a system of internal financial control which is maintained by the charity. They consider risk management to be an important part of their role and endeavour to follow best practice.

During the year, whilst the charity ran venues, the management teams at each venue discussed the risks identified with the members of the senior leadership team and ensured that proper controls were in place within their venue. They also considered each of the objectives set for the venue in the corporate strategy of the charity to ensure that the risks linked into the operational objectives and that the process of risk mitigation was embedded in the action plans to deliver the objectives. This work of monitoring and mitigating risks within the venues continued to be a major task of the general manager at each venue until Sheffield City Trust ceased operating venues in January 2025. The senior leadership team regularly considered corporate risk in its meetings and updated the risk register accordingly. The Group Audit Committee reviewed this process at each of its meetings as a standard agenda item providing additional checks and specific skill on top of the trustees' own monitoring process.

Following the procurement process initiated by Sheffield City Council to identify new operators for the entertainment and leisure facilities, the charity ceased to operate any venues from January 2025, when all venues transferred to Sheffield City Council and ultimately to new operators. Support provided by Sheffield City Council to the Sheffield City Trust group will continue until such time as the Trust has completed the process of winding up, solvently (refer to note 1 for further detail). As such, the directors do not consider the charity to be a going concern.

The trustees believe the key risk to the charity to be the orderly and solvent wind up of the Charity and its subsidiary, Sheffield International Venues Limited. They are working closely with Sheffield City Council to ensure adequate funding is in place to enable this.

The trustees have identified a number of other risks which they consider to be important to the business and have action plans to mitigate against them but believe that the risk considered above is the most significant.

Public Benefit

The volunteer trustees of Sheffield City Trust have worked closely with Sheffield City Council over the last 30 years through challenging circumstances to provide the citizens of Sheffield with unrivalled access to a wide range of activities both in the venues and in local communities, helping support and preserve the health and wellbeing of the people of the city.

The trustees were aware of their duty to ensure that the charity provided a public benefit. Each year the prices charged for the charitable activities within each venue were reviewed by the trustees in order to ensure that they were reasonable and affordable to the vast majority of the citizens of Sheffield. The trustees were proud of their fitness membership package which provided high quality fitness membership at very good value for money, the excellent coached activity programme which provided affordable access to swimming, gymnastics and trampolining lessons amongst others and of the low prices of the Sheffield International Concert Season.

Trustees' and directors' report (including strategic report) (continued)

Public Benefit (continued)

In increasingly difficult economic times, it became difficult to maintain access to so many citizens. Additionally, the charity offered concessionary prices on all products, including fitness membership and coached programmes, at 40% discount until it ceased directly operating venues in January 2025. The level and breadth of discount available were market leading and reflected the charity's commitment to ensuring services were available to as many of the citizens of Sheffield as possible.

The arrangements now being replaced represented an efficient use of public money to deliver the objectives of the local authority and the charitable purposes of the trust. They enabled elite athletes to use the venues and the delivery of high class events in concert with high levels of charitable activity and community outreach.

The trustees have been diligent and prudent custodians of the assets of Sheffield City Trust, including the public grant money provided by Sheffield City Council over the years since the World Student Games. They and Sheffield City Trust's senior leadership team of executives have ensured that Sheffield City Trust and its subsidiary Sheffield International Venues Limited have been efficiently and effectively run. Sheffield City Council thanked those involved in the management of Sheffield City Trust over its life and acknowledges the benefits the charity has provided for the city of Sheffield. Sheffield City Trust now hands back to Sheffield City Council a portfolio of facilities which have been maintained in good condition and will remain the backbone of Sheffield's community sporting, leisure and entertainment offer for the foreseeable future.

The charity was the only member of 7 Hills Leisure Trust, a charity which entered Members Voluntary Liquidation on 29 March 2023. This charity was dissolved on 4 May 2025.

Stakeholder engagement and section 172 statement

Following the conclusion of Sheffield City Council's procurement process as detailed at the beginning of this report (page 1), Sheffield City Trust and its subsidiary Sheffield International Venues Limited are no longer trading and therefore have limited stakeholders. The group is in the process of winding up its activities in preparation for the intended Members' Voluntary Liquidation of the two companies.

The trustees have regard to the interests of their stakeholders when discharging their duties. The trustees have identified the key stakeholders, post transfer of venues, to be its people (employee), suppliers and the partnership it has with Sheffield City Council. This section describes how the Board is engaging with and considering the interests of its key stakeholders when making decisions up to the point at which an office holder is appointed for the purpose of the proposed liquidation.

People

The charity will continue to engage with its remaining employee in an open and transparent way until such time as the charity begins the formal liquidation process, at which time the employee is expected to be made redundant.

Suppliers

The group will ensure it continues to pay all its remaining suppliers on time and in full and has planned its outgoings to ensure sufficient cash reserves are held to allow it to fully discharge its liabilities.

The group will continue to ensure that it maintains high standards of business conduct throughout its supply chain.

Sheffield City Council

As our only ongoing key relationship, Sheffield City Council remains a stakeholder of the group. We will continue to work closely with Sheffield City Council until such time as the charity enters a formal liquidation process.

Streamlined Energy and Carbon Reporting

UK energy use and associated greenhouse gas emissions

Current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1st April 2019.

Trustees' and directors' report (including strategic report) *(continued)*

Streamlined Energy and Carbon Reporting *(continued)*

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are for those assets owned or controlled within the UK only as defined by the operational control boundary. This includes entertainment venues, sports centres, leisure centres and golf clubs, along with company leased vehicles and personal vehicles used for business mileage (referred to as "grey fleet"). This report represents the final submission, as the Group ceased operating venues in early January 2025.

Reporting period

The annual reporting period for the prior year is 1 April 2023 to 31 March 2024, and for the current year 1 April 2024 to 2 January 2025 and the energy and carbon emissions are aligned to these periods.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2024 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Zenergi Limited (trading as Briar Consulting Engineers Limited).

Electricity, district heating, gas and other fuel consumption were based on invoice records, while fuel receipts and mileage expense claims were used to calculate energy and emissions from leased vehicles and grey fleet.

Where energy data was not available, the pro-rata and direct comparison estimation techniques have been applied and noted in the carbon dashboard. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors. In light of the transfer out of all Sheffield City Trust sites at the beginning of 2025, a comparative analysis has been conducted between the nine-month period for the current reporting year and the full twelve-month period of the previous year.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	Reporting Period 9 months to 2 Jan 2025	Reporting Year 2023-2024
Mandatory energy sources:		
Gas	8,314,587	9,339,084
Purchased electricity	12,778,711	16,888,503
Transport fuel	133,610	91,527
Total Energy (mandatory)	21,226,908	26,319,114
Voluntary energy sources:		
District heating	13,348,450	18,134,726
Oil	308,929	427,036
Total energy (voluntary)	13,657,379	18,561,762
Total energy (mandatory and voluntary)	34,884,287	44,880,876

Trustees' and directors' report (including strategic report) *(continued)*

Streamlined Energy and Carbon Reporting *(continued)*

Breakdown of emissions associated with the reported energy use (tCO_{2e}):

Emission source	Reporting Period 9 months to 2 Jan 2025	Reporting Year 2023-2024
Mandatory emission sources:		
Scope 1		
Gas	1,520.7	1,708.4
Trust leased vehicles	26.0	11.6
Scope 2		
Purchased electricity (location based)	2,645.8	3,497.2
Scope 3:		
Category 6: Business travel (grey fleet)	4.4	7.6
Total gross emissions (mandatory)	4,196.9	5,224.8
Voluntary emission sources:		
Scope 1		
Oil	79.2	110.4
Scope 2		
District Heating	2,042.5	3,257.8
Total gross emissions (voluntary)	2,121.7	3,368.2
Total gross emissions (mandatory and voluntary)	6,318.6	8,593.0
Outside of scopes		
Biofuel (CO ₂ only)	22.2	33.4

Outside of scopes emissions are used to account for burning biomass and other biofuels. The emissions are labelled 'outside of scopes' because the scope 1 impact of the CO₂ released through these fuels has been determined to be 'net zero' (since the fuel source itself absorbs an equivalent amount of CO₂ during the growth phase as the CO₂ released through combustion). Therefore, to fully account for the emissions, the CO₂ component of the combustion process is quantified but placed 'outside of scopes,' (as opposed to in scope 1 which is usual for directly combusted fuels). The CH₄ and N₂O components of the combustion of the fuel have been reported in scope 1.

Intensity ratios	Reporting Period 9 months to 2 Jan 2025	Reporting Year 2023-2024
Mandatory emissions:		
Tonnes of CO _{2e} per thousand-square meter floor area	53.78	72.7

Intensity ratio

The intensity ratio is total gross emissions in metric tonnes CO_{2e} (mandatory emissions) per thousand-square meter floor area. This metric relates to UK operations only to align with the energy and emission reporting boundary. This metric is considered the most relevant to the Group's energy consuming activities and provides a good comparison of performance over time and across different organisations and sectors.

Trustees' and directors' report (including strategic report) (continued)

Streamlined Energy and Carbon Reporting (continued)

Energy efficiency action during current financial year

During the reporting period from 1 April 2024 to 2 January 2025, the Group continued to implement energy efficiency measures where appropriate until the sites were no longer operated by Sheffield City Trust.

Disclosure of information to auditor

The trustees who held office at the date of approval of the trustees' report and this strategic report confirm that, so far as they are each aware, there is no relevant information of which the group's auditor is unaware; and each trustee has taken all steps that he ought to have taken as a trustee to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Crowe U.K. LLP therefore continued in office.

In accordance with Section 414 of the Companies Act 2006, the company has prepared a trustee's report that includes information that would be included with a strategic report. The trustees authorise both the trustees' report and strategic report below.

By order of the board



D Grey MBE
Chairman

4th Floor Fountain Precinct
Leopold Street
Sheffield
S1 2JA
27 January 2026

Company registration number 2164600
Charity registration number 700520

Statement of trustees' responsibilities in respect of the strategic report, the trustees' report and the consolidated financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and charitable company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of their profit or loss for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Sheffield City Trust

Opinion

We have audited the financial statements of Sheffield City Trust (the "charitable company") and its subsidiary (the "group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, Company Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement, Consolidated Analysis of Net Debt and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to note 1 Going Concern to the financial statements which explains that the trustees intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 1. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditor's report to the members of Sheffield City Trust *(continued)*

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102), and tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charitable company's and group's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

Independent auditor's report to the members of Sheffield City Trust *(continued)*

Extent to which the audit was considered capable of detecting irregularities, including fraud *(continued)*

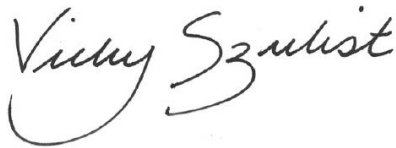
We also considered the opportunities and incentives that may exist within the charitable company and group for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of essential maintenance grant and management override of controls. Our audit procedures to respond to these risks included enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing regulatory correspondence with the Charity Commission, sample testing essential maintenance grant income from the underlying schedule of works and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist
Senior Statutory Auditor
For and on behalf of Crowe U.K. LLP
Statutory Auditor
3rd Floor
St Georges House
56 Peter Street
Manchester
M2 3NQ

27 January 2026

Consolidated statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2025

		Unrestricted funds	Restricted Funds – charitable activities	Total funds	Total funds
	<i>Note</i>	2025 £000	2025 £000	2025 £000	2024 £000
Incoming resources					
Income from charitable activities		27,675	-	27,675	32,194
Investment income		777	-	777	756
Income from donations and legacies - Grants receivable		235	-	235	211
Income from donations and legacies - Sheffield City Council		3,892	1,767	5,659	17,671
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		32,579	1,767	34,346	50,832
		<hr/>	<hr/>	<hr/>	<hr/>
Resources expended					
Expenditure on raising funds		(23,426)	(2,368)	(25,794)	(35,712)
Expenditure on charitable activities – general		(8,346)	(6,613)	(14,959)	(22,344)
Deed of Set-Off		(104,335)	-	(104,335)	-
Loan waiver		103,913	-	103,913	-
Loss on disposal of subsidiary		(131)	(16,968)	(17,099)	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	3	(32,325)	(25,949)	(58,274)	(58,056)
		<hr/>	<hr/>	<hr/>	<hr/>
Net (outgoing)/incoming resources before tax	6	254	(24,182)	(23,928)	(7,224)
Taxation	9	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net (outgoing)/incoming resources before other recognised gains and losses		254	(24,182)	(23,928)	(7,224)
		<hr/>	<hr/>	<hr/>	<hr/>
Net (loss)/profit in the year		254	(24,182)	(23,928)	(7,224)
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances brought forward		1,457	24,182	25,639	32,863
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances carried forward	4/5	1,711	-	1,711	25,639
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from activities which have now ceased (refer to note 1 for additional information) and were in furtherance of the charity's objects.

Company statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2025

		Unrestricted funds	Restricted funds – charitable activities	Total funds	Total funds
	<i>Note</i>	2025 £000	2025 £000	2025 £000	2024 £000
Incoming resources					
Income from charitable activities		10,687	-	10,687	10,901
Investment income		180	-	180	172
Income from donations and legacies - Grants receivable		-	-	-	6
Income from donations and legacies - Sheffield City Council		3,895	986	4,881	15,916
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		14,762	986	15,748	26,995
		<hr/>	<hr/>	<hr/>	<hr/>
Resources expended					
Expenditure on charitable activities – general		(14,959)	(6,611)	(21,570)	(32,875)
Deed of Set-Off		(104,335)	-	(104,335)	-
Loan waiver		103,913	-	103,913	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	3	(15,381)	(6,611)	(21,992)	(32,875)
		<hr/>	<hr/>	<hr/>	<hr/>
Net outgoing resources before tax	6	(619)	(5,625)	(6,244)	(5,880)
Tax		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net outgoing resources before other recognised gains and losses		(619)	(5,625)	(6,244)	(5,880)
		<hr/>	<hr/>	<hr/>	<hr/>
Net loss in the year		(619)	(5,625)	(6,244)	(5,880)
Fund balances brought forward		619	5,625	6,244	12,124
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances carried forward	4/5	-	-	-	6,244
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from activities which have now ceased (refer to note 1 for additional information) and were in furtherance of the charity's objects.

Consolidated balance sheet

As at 31 March 2025

	Note	2025		2024	
		£000	£000	£000	£000
Fixed assets					
Intangible Assets	11	-		7	
Tangible fixed assets	12	-		139,169	
Negative goodwill	10	-		(6,163)	
		<hr/>		<hr/>	
			-		133,013
Current assets					
Stocks	14	-		257	
Debtors (including debtors due after one year of £nil) (2024: £nil)	15	28,510		38,041	
Cash at bank and in hand	16	6,636		7,549	
Cash at bank and in hand – third party ticket monies	16	87		11,610	
		<hr/>		<hr/>	
		35,233		57,457	
Creditors: amounts falling due within one year	17	(33,036)		(163,220)	
		<hr/>		<hr/>	
Net current assets/(liabilities)			2,197		(105,763)
			<hr/>		<hr/>
Total assets less current liabilities			2,197		27,250
Provisions for liabilities	18		(486)		(1,611)
			<hr/>		<hr/>
Net assets			1,711		25,639
			<hr/> <hr/>		<hr/> <hr/>
Fund balances					
Unrestricted reserves					
Designated reserve	4		4		143
General reserve	4		1,707		1,314
			<hr/>		<hr/>
Net unrestricted funds			1,711		1,457
Restricted funds	5		-		24,182
			<hr/>		<hr/>
Total funds			1,711		25,639
			<hr/> <hr/>		<hr/> <hr/>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 27 January 2026 and were signed on its behalf by:



D Grey MBE

Chairman

Charity Registration Number 700520 / Company registration number: 2164600

Company balance sheet

As at 31 March 2025

	<i>Note</i>	2025		2024	
		£000	£000	£000	£000
Fixed assets					
Investments	<i>13</i>	-		-	
Intangible assets	<i>11</i>	-		7	
Tangible fixed assets	<i>12</i>	-		115,918	
		<hr/>		<hr/>	
			-		115,925
Current assets					
Debtors (including debtors due after one year of £nil <i>(2024 - £nil)</i>)	<i>15</i>	31,190		39,758	
Cash at bank and in hand	<i>16</i>	2,337		2,904	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	<i>17</i>	33,527 (33,041)		42,662 (150,732)	
		<hr/>		<hr/>	
Net current assets/(liabilities)			486		(108,070)
			<hr/>		<hr/>
Total assets less current liabilities			486		7,855
Provision for liabilities	<i>18</i>		(486)		(1,611)
			<hr/>		<hr/>
Net assets			-		6,244
			<hr/> <hr/>		<hr/> <hr/>
Fund balances					
Unrestricted reserves					
Designated reserve	<i>4</i>		4		143
General reserve	<i>4</i>		(4)		476
			<hr/>		<hr/>
Net unrestricted funds			-		619
Restricted funds	<i>5</i>		-		5,625
			<hr/>		<hr/>
Total funds			-		6,244
			<hr/> <hr/>		<hr/> <hr/>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 27 January 2026 and were signed on its behalf by:



D Grey MBE

Chairman

Charity Registration Number 700520 / Company registration number: 2164600

Consolidated cash flow statement

For year ended 31 March 2025

	<i>Note</i>	2025 £000	2024 £000
Cash flows from operating activities			
Net (outgoing)/incoming resources before other recognised gains or losses		(23,928)	(7,224)
<i>Adjustments for:</i>			
Depreciation and amortisation	<i>10/11/12</i>	10,647	13,204
Deed of Set-Off		104,335	-
Interest receivable and similar income		(777)	(756)
Interest payable and similar charges		192	1,080
Loss/(profit) on disposal (refer to note 2, Phoenix Sports Limited section)	<i>2</i>	19,314	(4)
Provision for dilapidations and redundancy	<i>19</i>	(1,125)	1,496
		108,658	7,796
Decrease/(increase) in trade and other debtors	<i>15</i>	9,531	(2,875)
Decrease/(increase) in stocks	<i>14</i>	257	(24)
Increase in trade and other creditors	<i>17</i>	13,864	3,159
		132,310	8,056
Tax received		-	-
Net cash from operating activities		132,310	8,056
Cash flows from investing activities			
Acquisition of tangible fixed assets	<i>12</i>	(1,284)	(3,233)
Proceeds from disposal of tangible fixed assets		-	6
Interest received		777	756
Net cash from investing activities		(507)	(2,471)
Cash flows from financing activities			
Proceeds from new loan		-	17,608
Repayment of SCC loan		(140,425)	-
Interest paid		(191)	(1,076)
Repayment of borrowings		(3,572)	(17,808)
Payment of finance lease liabilities		(51)	(199)
Net cash from financing activities		(144,239)	(1,475)
Net (decrease)/increase in cash and cash equivalents		(12,436)	4,110
Cash and cash equivalents brought forward		19,159	15,049
Cash and cash equivalents carried forward		6,723	19,159

The accompanying notes form part of the financial statements.

Consolidated analysis of net debt
For year ended 31 March 2025

	At 1 April 2024 £000	Cashflows £000	Non-cash movements £000	At 31 March 2025 £000
Cash at bank and in hand	19,159	(12,436)	-	6,723
Bank loans	(59)	59	-	-
Other loans	(3,513)	3,513	-	-
Finance Leases	(51)	51	-	-
Sheffield City Council	(140,425)	140,425	-	-
	<u>(124,889)</u>	<u>131,612</u>	<u>-</u>	<u>6,723</u>

Notes to the financial statements

1 Accounting policies

Sheffield City Trust (the “charity”) is a company limited by guarantee, is a registered charity (registration number 700520) and is incorporated and domiciled in the UK. The charity is a public benefit entity.

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (*Charities SORP FRS 102*), the Charities Act 2011 and the Companies Act 2006. The presentation currency of these financial statements is sterling. The current years financial statements are for the year from 1 April 2024 to 31 March 2025 (*2024: 1 April 2023 to 31 March 2024*).

The parent company is included in the consolidated financial statements; and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 23.

Going concern

During the year ended 31 March 2025, Sheffield City Trust had net outgoing resources before tax of £23,928,000, a decrease in cash of £12,436,000 to £6,723,000 and Group net assets of £1,711,000 as at 31 March 2025.

Following the conclusion of Sheffield City Council’s public procurement exercise, the charity ceased to operate venues from January 2025 and is now in a period of winding up operations prior to solvent liquidation. The charity is therefore not considered to be a going concern and the accounts have therefore been prepared on this basis. As a result of applying the non-going concern basis, there has been no revision of the numbers.

Operating Segments

The Trustees believe that the Group comprises a single reporting segment, that being the provision of facilities to enable the public to participate in recreational activities, which promotes the health and well being of the people of Sheffield and surrounding areas.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its trading subsidiary undertakings made up to 31 March 2025. The consolidated statement of financial activities consolidates the results of the charitable activities of the group on a line by line basis. Dormant subsidiaries, 7 Hills Leisure Trust, 7 Hills Commercial Limited and SIV Enterprises Limited have been excluded from the consolidation. Phoenix Sports Limited has been consolidated up to 2 January 2025 at which point Sheffield City Trust ceased to be a member of the company and therefore disposed of related assets and liabilities.

Investments

In the charity’s financial statements, investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

Goodwill

Goodwill arising on acquisition is released over the period of use of the non-monetary assets to which it relates. Negative goodwill arising on acquisition is released to the statement of financial activities in the periods in which the fair values of non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives. Historically, applicable rates were as follows:

Fixtures, fittings and equipment	-	5% to 100% per annum
Leasehold buildings (other than venues)	-	life of lease

No depreciation was provided on freehold or leasehold land.

As a result of the outcome of Sheffield City Council's public procurement process and in line with the lease agreements, all assets transferred to Sheffield City Council on or shortly after 2 January 2025. At point of transfer, all assets had a £nil net book value, with the exception of those held in Phoenix Sports Limited which transferred with the legal entity at that time and are therefore shown as disposals.

The charity's assets were valued at a net amount of approximately £3.6m at the point of transfer to Sheffield City Council, taking into account the release by the Council (under a Deed of Release) of amounts owed to the Council under the long-standing shortfall funding arrangements and a Deed of Set-Off in respect of amounts owed by the Council to the charity relating to the same arrangements.

The assets of the charity were transferred to the Council in consideration of the release of the remaining balance of £3.6m owed to the Council by the charity in relation to the shortfall funding arrangements. The hand-back to the Council of the charity's major sports facilities (Ponds Forge International Sports Centre, Hillsborough Leisure Centre and Sheffield Arena) and forgiveness of the associated debt owed by the charity, together with the write-down of other amounts owed to the Council, enabled the charity to remove from its balance sheet the significant creditors owed to the Council associated with the construction of the facilities and historical revenue support provided to the charity.

Capital grants receivable and restricted funds

In accordance with the requirements of the Financial Reporting Standard 102 "The financial reporting standard applicable in the United Kingdom and Ireland" (Charities SORP (FRS 102)) capital grants are recognised as restricted funds in the accounting period in which they are received. Depreciation charged over the period imposed by the grant agreement associated with the restricted fund, is included within restricted funds. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Revenue grants and unrestricted funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Revenue grants are recognised in the period in which the relevant expenditure is incurred and in line with any conditions specific to the grant. Where performance criteria are met, the grant is released.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

In the year, the group contributed to a pension scheme operated by South Yorkshire Pension Authority providing benefits based on final pensionable pay. On 31 March 2022, the historic assets and liabilities of the South Yorkshire Pension Scheme were subsumed by the Sheffield City Council South Yorkshire Pension Scheme and the group has been discharged of its net pension liability. Contributions to the scheme during the year are charged to the profit and loss account

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Tax

Sheffield City Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2012 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from tax in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2013 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Sheffield International Venues Limited is the trading subsidiary of the Trust. The company has a policy of making gift aid payments equivalent to at least its taxable profit subject to sufficient distributable reserves being available. Therefore, it does not expect to incur any tax charges and deferred tax accounting is not considered to be necessary.

Incoming resources from charitable activities

Incoming resources from charitable activities represents the amounts (excluding value added tax) derived from the rental of sites in Sheffield developed as recreational facilities together with other income derived from those sites, including payment by the community for use of the recreational facilities. All income from these activities arises from activities in the United Kingdom.

Interest receivable and payable

Interest receivable or payable is recognised in the statement of financial activities on an accruals basis.

Resources expended and allocation of charitable expenditure

Resources expended are accounted for on an accruals basis and are classified by the trustees as expenditure on raising funds or expenditure on charitable activity, depending on the nature of the expenditure incurred. Where resources expended are apportioned this is done on the basis of the use of the resources.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts, discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations

During the year the charity had five wholly owned subsidiaries which are incorporated in the UK. Sheffield International Venues Limited manages sporting and recreational facilities as agent for Sheffield City Trust in respect of the community income and expenditure, and as principal in respect of ancillary commercial income and expenditure for Sheffield City Trust. 7 Hills Leisure Trust and 7 Hills Commercial Limited have not traded in the year having entered into Members Voluntary Liquidation on 29 March 2023 and were dissolved on 4 May 2025 and 14 September 2024 respectively.

Phoenix Sports Limited, a company limited by guarantee, owns the English Institute of Sport - Sheffield. Sheffield City Trust operated the venue until 2 January 2025 when the membership interest in Phoenix Sports Limited was transferred into new ownership. Refer to note 1 for further information. The charity indirectly owns SIV Enterprises Limited, through Sheffield International Venues Limited. SIV Enterprises Limited did not trade during the year having entered into Members Voluntary Liquidation on 29 March 2023 and was dissolved on 30 April 2025.

A summary of the trading activities of Sheffield City Trust's subsidiaries are shown below.

Sheffield International Venues Limited

	2025 £000	2024 £000
Turnover	16,988	21,293
Other operating income	1,916	2,144
Raw materials and consumables	(2,289)	(2,979)
Staff costs	(4,745)	(5,494)
Depreciation	(1,932)	(2,091)
Other operating charges	(9,588)	(13,440)
	<hr/>	<hr/>
Operating profit/(loss)	350	(567)
Net interest receivable	597	567
	<hr/>	<hr/>
Profit on ordinary activities before taxation	947	-
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>
Profit retained in the subsidiary	947	-
	<hr/> <hr/>	<hr/> <hr/>

Sheffield City Council concluded its public procurement processes which resulted in the transfer out of the venues, as planned, in early January 2025. Sheffield City Council has agreed to support Sheffield City Trust and Sheffield International Venues Limited financially, following their cessation of trade, through to their solvent liquidation.

	2025 £000	2024 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	-	1,291
Current assets	4,590	18,641
Creditors: amounts falling due within one year	(2,879)	(19,168)
	<hr/>	<hr/>
Net assets	1,711	764
	<hr/> <hr/>	<hr/> <hr/>
Statement of other comprehensive income		
	2025 £000	2024 £000
Profit for the financial period	947	-
	<hr/>	<hr/>
Total comprehensive income for the financial year	947	-
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

Phoenix Sports Limited

The results below reflect the trading position of the company for the period 1 April 2024 to 2 January 2025 when Sheffield City Trust ceased to be a member of Phoenix Sports Limited.

	9 months to 2 Jan 2025 £000	2024 £000
Income		
Lottery grant released	325	433
Yorkshire Forward grant released	11	14
Lifecycle fund	92	441
Grant income	50	92
Other income	63	92
	541	1,072
Expenditure		
Building Maintenance	(15)	(363)
Depreciation	(527)	(684)
	(1)	25
Operating (loss)/profit	(1)	25
(Loss)/profit on ordinary activities before tax	(1)	25
Tax on profit on ordinary activities	-	-
	(1)	25
(Loss)/profit retained in the subsidiary	(1)	25

The assets of Phoenix Sports Limited have been included for 2024 as were consolidated into the assets of Sheffield City Trust in the prior year. At 31 March 2025, Phoenix Sports Limited was no longer under the control of Sheffield City Trust and its balance sheet is therefore excluded from these notes.

	2024 £000
The assets and liabilities of the subsidiary were:	
Tangible fixed assets	15,797
Current assets	1,703
Deferred income: amounts falling due within one year	(611)
Deferred income: amounts falling due after more than one year	(16,926)
	(37)
Net liabilities	(37)

On relinquishing membership of Phoenix Sports Limited to Sheffield City Council, no consideration was paid and no cash balances were held on transfer therefore there was no cash impact of this disposal.

7 Hills Leisure Trust, 7 Hills Commercial Limited and SIV Enterprises Limited

7 Hills Leisure Trust, 7 Hills Commercial Limited and SIV Enterprises Limited were dormant in the year, having entered a Members Voluntary Liquidation on 29 March 2023. As such they have been excluded from the consolidation. 7 Hills Leisure Trust was dissolved on 4 May 2025, SIV Enterprises Limited was dissolved on 30 April 2025 and 7 Hills Commercial Limited was dissolved on 14 September 2024.

Notes to the financial statements *(continued)*

3 Resources expended

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
<i>Unrestricted funds</i>				
<i>Expenditure on raising funds</i>				
Ground rent	24	16	-	-
Overheads including staff costs, depreciation and finance lease interest	23,402	32,800	-	-
	<u>23,426</u>	<u>32,816</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities - General</i>				
Ground rent	27	38	27	38
Interest on loans	186	225	186	225
Interest payable on bonds	-	833	-	833
Overheads including staff costs, depreciation and finance lease interest	8,133	10,718	14,746	21,249
	<u>8,346</u>	<u>11,814</u>	<u>14,959</u>	<u>22,345</u>
<i>Other resources expended</i>				
Deed of Set-Off	104,335	-	104,335	-
Loan waiver	(103,913)	-	(103,913)	-
Loss on disposal of subsidiary (refer to note 2)	131	-	-	-
	<u>553</u>	<u>-</u>	<u>422</u>	<u>-</u>
Total unrestricted resources expended	<u><u>32,325</u></u>	<u><u>44,630</u></u>	<u><u>15,381</u></u>	<u><u>22,345</u></u>
<i>Restricted funds</i>				
<i>Expenditure on raising funds</i>				
Overheads	1,669	1,433	-	-
Depreciation	699	1,463	-	-
	<u>2,368</u>	<u>2,896</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities</i>				
Overheads	669	3,507	669	3,507
Depreciation	5,944	7,023	5,942	7,023
	<u>6,613</u>	<u>10,530</u>	<u>6,611</u>	<u>10,530</u>
<i>Other resources expended</i>				
Loss on disposal of subsidiary (refer to note 2)	16,968	-	-	-
	<u>16,968</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted resources expended	<u><u>25,949</u></u>	<u><u>13,426</u></u>	<u><u>6,611</u></u>	<u><u>10,530</u></u>

Notes to the financial statements *(continued)*

4 Unrestricted funds

The breakdown of the unrestricted funds between designated and general funds is as follows:

Group	At 31 March 2023 £000	Income £000	Utilised £000	At 31 March 2024 £000	Income £000	Utilised £000	Transfer £000	Disposal £000	At 31 March 2025 £000
Designated funds									
Direct support of other charitable activities in Sheffield	377	4	(238)	143	3	(253)	111	-	4
Other designated reserves	-	2	(2)	-	-	-	-	-	-
General funds									
Retained surplus	1,640	44,064	(44,390)	1,314	32,576	(31,941)	(111)	(131)	1,707
	<u>2,017</u>	<u>44,070</u>	<u>(44,630)</u>	<u>1,457</u>	<u>32,579</u>	<u>(32,194)</u>	<u>-</u>	<u>(131)</u>	<u>1,711</u>
Company									
Designated funds									
Direct support of other charitable activities in Sheffield	377	4	(238)	143	3	(253)	111	-	4
Other designated reserves	-	2	(2)	-	-	-	-	-	-
General funds									
Retained surplus	707	21,874	(22,105)	476	14,759	(15,128)	(111)	-	(4)
	<u>1,084</u>	<u>21,880</u>	<u>(22,345)</u>	<u>619</u>	<u>14,762</u>	<u>(15,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>

The fund to support the other charitable activities of the charity provides grants to other groups where those groups are considered the most appropriate way of furthering the charity's objects within the specific target communities.

5 Restricted funds

Group	At 31 March 2023 £000	Incoming Resources £000	Utilised £000	At 31 March 2024 £000	Incoming Resources £000	Utilised £000	Disposal £000	At 31 March 2025 £000
iceSheffield capital grant	5,575	-	(3,185)	2,390	-	(2,390)	-	-
Sheffield City Hall renovation grant	2,993	-	(1,710)	1,283	-	(1,283)	-	-
EISS grant	17,293	-	(888)	16,405	-	(424)	(15,981)	-
NCSEM at Concord Sports Centre	159	-	(91)	68	-	(68)	-	-
Essential maintenance grant	3,671	6,696	(7,377)	2,990	1,712	(4,702)	-	-
EISS Sport hall grant	1,104	-	(68)	1,036	-	(53)	(983)	-
Other grants	51	66	(107)	10	56	(62)	(4)	-
	<u>30,846</u>	<u>6,762</u>	<u>(13,426)</u>	<u>24,182</u>	<u>1,768</u>	<u>(8,982)</u>	<u>(16,968)</u>	<u>-</u>

Notes to the financial statements *(continued)*

5 Restricted funds *(continued)*

<i>Company</i>	At 31 March 2023 £000	Incoming Resources £000	Utilised £000	At 31 March 2024 £000	Incoming Resources £000	Utilised £000	At 31 March 2025 £000
iceSheffield capital grant	5,575	-	(3,185)	2,390	-	(2,390)	-
Sheffield City Hall renovation grant	2,993	-	(1,710)	1,283	-	(1,283)	-
NCSEM at Concord Sports Centre	159	-	(91)	68	-	(68)	-
Essential maintenance grant	2,234	5,049	(5,418)	1,865	930	(2,795)	-
EISS Sport hall grant	39	-	(23)	16	-	(16)	-
Other grants	40	66	(103)	3	56	(59)	-
	<u>11,040</u>	<u>5,115</u>	<u>(10,530)</u>	<u>5,625</u>	<u>986</u>	<u>(6,611)</u>	<u>-</u>

Following the conclusion of Sheffield City Council's public procurement process, all remaining venues were transferred out of the Sheffield City Trust Group in January 2025. As a result, Sheffield City Trust no longer holds any restricted assets or funds. In the prior year, the various restricted funds were as follows:

The restricted funds held in respect of iceSheffield represented funding received from Sport England to aid the charity in building the national ice centre in the Lower Don Valley. This project was completed in 2003 and the fund was being amortised as the asset was depreciated.

The restricted funds held in respect of the Sheffield City Hall renovation project represented funding received from the European Single Regeneration Budget to fund the cost of professional fees during the design phase of the project, and from European Objective 1 funding to fund the building phase. The project was completed in 2005 and the fund was being amortised as the asset was depreciated.

The restricted funds held in respect of EISS represented funds received from Sport England and Yorkshire Forward to aid Phoenix Sports Limited in building the EISS and a further amount received from Sport England to provide a lifecycle fund to meet the maintenance cost of the up-keep of EISS. The project to build the EISS was completed in 2003 and the funds received for that purpose were being amortised as the asset was depreciated.

The restricted funds held in respect of NCSEM related to Olympic Legacy funding received from Public Health England on behalf of the Department of Health (DOH). The charity was part of a consortium of organisations in Sheffield that promote and research the positive benefit of physical activity on health. These funds have been used to generate a positive benefit for the NHS by renovating and equipping Concord Sports Centre for use by the public for medical facilities within a building also used for physical activity. The project was completed in 2015 and the funds received for that purpose were being amortised as the asset was depreciated.

The restricted fund held in respect of essential maintenance represents funds received from Sheffield City Council to aid essential maintenance work on the various properties, which are owned by Sheffield City Council and operated by the charity. The funds were being amortised either as the assets were depreciated or the cost of repairs incurred.

The restricted funds held in respect of the EISS Sports Hall represented funds received from Sheffield City Council to build a sports hall at the English Institute of Sport – Sheffield for the use of a local school. Funds were being amortised as the assets were depreciated.

The useful economic life of all assets mentioned within restricted funds was in line with the duration of the respective leases pertaining to the buildings for which that work was funded. As a result of Sheffield City Council's public procurement process and in line with the lease agreements, all restricted assets, were transferred to Sheffield City Council.

By their nature restricted funds can only be used for the purpose they were intended and not to fund general or unrestricted activity.

Notes to the financial statements *(continued)*

6 Net (outgoing)/incoming resources before taxation are stated after charging

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Auditor's remuneration - Audit of these financial statements	45	83	25	30
Depreciation of owned assets	10,592	13,204	8,133	10,225
Depreciation of assets held under finance leases	48	195	48	195
Hire of assets under operating leases - other assets	69	126	69	126
Amortisation of negative goodwill	(154)	(205)	-	-
Impairment of trade receivables	17	(6)	7	1
Inventory recognised as an expense	1,961	2,542	-	-
	<u>1,961</u>	<u>2,542</u>	<u>-</u>	<u>-</u>

7 Remuneration of trustees

No emoluments were paid to any of the trustees during the year (2024: *£nil*).

No expenses were reimbursed to any trustees in respect of any expenditure made on behalf of the charity (2024: *£nil*).

8 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year analysed by category, was as follows:

	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
Leisure	349	412	349	412
Operations and maintenance	148	172	148	172
Administration	112	135	112	135
Catering	305	317	305	317
	<u>914</u>	<u>1,036</u>	<u>914</u>	<u>1,036</u>

Staff numbers and costs include all contracted and casual staff regardless of hours worked.

Notes to the financial statements *(continued)*

8 Staff numbers and costs *(continued)*

The aggregate payroll cost of the employees employed by the group during the year was as follows:

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Wages and salaries	11,139	13,583	11,139	13,583
Social security costs	856	926	856	926
Other pension costs	586	706	586	706
Redundancy costs	14	1,483	14	1,483
	<u>12,595</u>	<u>16,698</u>	<u>12,595</u>	<u>16,698</u>

Where required, companies within the group procure HR services from Sheffield City Trust as required to support the operations of the venues and a management fee is charged for these services. The staff numbers and costs of all contracted staff employed by Sheffield City Trust irrespective of which group company they provide services to are included in the company numbers above.

The number of employees in the group whose emoluments, including contractual notice pay, holiday pay and redundancy costs, amounted to over £60,000 in the year was as follows:

	2025	2024
£60,001 - £70,000	4	1
£70,001 - £80,000	-	3
£80,001 - £90,000	3	2
£90,001 - £100,000	1	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-
£150,001 - £160,000	1	-
£160,001 - £170,000	1	-
£280,001 - £290,000	1	-
	<u>1</u>	<u>1</u>

The group made contributions of £346,000 (2024: £61,000) to defined benefit schemes in respect of these employees.

All trustees gave their time freely and no trustee received any remuneration in the year.

Notes to the financial statements *(continued)*

9 Tax

Analysis of charge in year

	2025	Group	2024
	£000		£000
Current tax			
Adjustments in respect of prior periods	-		-
	<hr/>		<hr/>
Total current tax credit for the year	-		-
Deferred tax			
Origination and reversal of timing differences	-		-
	<hr/>		<hr/>
Total tax credit for the year	-		-
	<hr/> <hr/>		<hr/> <hr/>

Factors affecting the tax charge for the current year

The current tax charge for the period is higher (*2024: higher*) than the standard rate of corporation tax in the United Kingdom, which, for the period ended 31 March 2025, was 25% (*2024: 19%*). The differences are explained below:

	2025	2024
	£000	£000
Net incoming resources before tax	(23,928)	(7,224)
	<hr/>	<hr/>
Current tax at 25% (<i>2024: 19%</i>)	(5,982)	(1,373)
Non deductible and non taxable items	6,227	1,127
Adjustments relating to prior periods	-	-
Losses utilised	(279)	(130)
Depreciation in excess of capital allowances	342	376
Gift aid	(308)	-
	<hr/>	<hr/>
Total tax charge/(credit) for the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

Sheffield International Venues Limited has a tax strategy of making a gift aid payment to its charitable parent, Sheffield City Trust of any taxable profits and the level of historical tax losses, and as such recognition of deferred tax movements is not required.

Notes to the financial statements *(continued)*

10 Negative goodwill

	£000
Cost	
At beginning and end of year	(8,741)

Impairment losses/amortisation	
At beginning of year	2,578
Charge for year	154
Disposal	6,009

At end of year	-

Carrying amount	
At end of year	-

At beginning of year	(6,163)

As part of the transaction to take full ownership and direct operation of the EISS, the trust acquired Phoenix Sports Limited for £1 on 31 March 2011. Phoenix Sports Limited is a non-profit-distributing asset locked company. Phoenix Sports Limited is the company which owns the 150 year lease relating to EISS.

At the date of the acquisition the net assets acquired had a book value of £nil, being the net book value of the English Institute of Sport – Sheffield building of £20m less the amounts provided by the English Sports Council to fund the construction of the building, £20m, shown as deferred income. In accordance with UK GAAP requirements regarding acquisition accounting, the fair value of the EISS building was determined at the date of acquisition as £29m. As this amount exceeded the deemed consideration paid, £20m, negative goodwill of £9m was recognised.

This goodwill was being amortised over 50 years in line with the useful economic life of the English Institute of Sport – Sheffield building and the historic grant funding which financed its construction.

On 2 January 2025, Sheffield City Trust ceased to be a member of Phoenix Sports Limited and has therefore recognised a disposal of its interest in this company during the year.

11 Intangible assets - software Group

	Total £000
Cost	
At beginning of year	47

At end of year	47

Amortisation	
At beginning of year	40
Charge for year	7

At end of year	47

Closing net book amount	
At end of year	-

At beginning of year	7

Notes to the financial statements *(continued)*

11 Intangible assets – software *(continued)* Company

	Total £000
Cost	
At beginning of year	45
At end of year	45
Amortisation	
At beginning of year	38
Charge for year	7
At end of year	45
Closing net book amount	
At end of year	-
At beginning of year	7

12 Tangible fixed assets

	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost				
At beginning of year	173,740	31,928	350	206,018
Additions	-	14	1,270	1,284
Group transfers	-	1,078	(1,078)	-
Disposals	(66,784)	(33,562)	-	(100,346)
Deed of Set-Off	(106,956)	-	-	(106,956)
Transfers	-	542	(542)	-
At end of year	-	-	-	-
Depreciation				
At beginning of year	40,024	26,825	-	66,849
Charge for year	5,536	5,104	-	10,640
Deed of Set-Off	(2,621)	-	-	(2,621)
Disposals	(42,939)	(31,929)	-	(74,868)
At end of year	-	-	-	-
Net book value				
At end of year	-	-	-	-
At beginning of year	133,716	5,103	350	139,169

Within leasehold land and buildings there are assets with a book value of £nil (2024: £108,000,000) which are not being depreciated. The value of these assets was realised in full upon exercise of the break clause contained within the related lease.

Notes to the financial statements *(continued)*

12 Tangible fixed assets *(continued)*

Company	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets Under Construction £000	Total £000
Cost				
At beginning of year	141,439	13,501	352	155,292
Additions	-	4	1,270	1,274
Disposals	(34,483)	(14,047)	-	(48,530)
Deed of Set-Off	(106,956)	-	-	(106,956)
Transfers	-	542	(542)	-
Group Transfers	-	-	(1,080)	(1,080)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of year	28,332	11,042	-	39,374
Charge for year	5,173	3,008	-	8,181
Disposals	(30,884)	(14,050)	-	(44,934)
Deed of Set-Off	(2,621)	-	-	(2,621)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At end of year	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At beginning of year	113,107	2,459	352	115,918
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Within leasehold land and buildings there are assets with a book value of £nil (*2024: £108,000,000*) which are not being depreciated. The value of these assets was realised in full upon exercise of the break clause contained within the related lease.

The following are included in the total net book value of tangible fixed assets in respect of assets held under finance leases.

	Group	Company
	Fixtures, fittings and equipment £000	Fixtures, fittings and equipment £000
2025		
Net book value	-	-
	<hr/>	<hr/>
Depreciation	48	48
	<hr/>	<hr/>
2024		
Net book value	120	120
	<hr/>	<hr/>
Depreciation	195	195
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

13 Investments - Company

	Investment in subsidiary £000
Net book value at beginning and end of year	-

On 31 March 2015 the charity forgave, by way of a capital contribution, monies owed by its subsidiary Sheffield International Venues Limited. This capital contribution gave rise to the capitalisation of the historic inter-company debtor of £7,578,000. The investment is reviewed for impairment annually, by considering the net present value of future cash flows of Sheffield International Venues Limited over a period to March 2025. The investment was fully impaired in 2019. This is reassessed annually, and the previous impairment is still deemed appropriate.

On 1 April 2019, all staff of Sheffield International Venues Limited were transferred under the provisions of TUPE to Sheffield City Trust. At the same time, the assets and liabilities of the South Yorkshire Pension Authority scheme were also transferred and as a result of this, Sheffield City Trust took on the historic pension liability by way of a capital contribution. The investment was fully impaired in 2020. This is reassessed annually, and the previous impairment is still deemed appropriate.

The charity holds investments of £100 relating to shares held in its subsidiary Sheffield International Venues Limited.

The entity in which the charity holds beneficial interests at 31 March 2025 is as follows:

	Company number	Principal activity	Country of registration	Percentage of ordinary shares held
<i>Subsidiary undertakings</i>				
Sheffield International Venues Limited	02226575	Management of sporting and entertainment facilities and provision of catering and conferencing services	England and Wales	100

The entities in which the charity held beneficial interests in during the year are as follows:

7 Hills Leisure Trust	07923816	Management of sporting and recreational facilities	England and Wales	-*
7 Hills Commercial Limited	03330129	Provision of catering services	England and Wales	100**
Phoenix Sports Limited	03487652	Operation and strategic direction of English Institute of Sport- Sheffield (EISS)	England and Wales	-***
SIV Enterprises Limited	06385377	Management of sporting and recreational facilities, a catering facility and the provision of consultancy services	England and Wales	100****

Notes to the financial statements *(continued)*

13 Investments - Company *(continued)*

In the opinion of the directors the investments in and amounts due from the charity's subsidiary undertaking are worth at least the amounts at which they are stated in the balance sheet.

*7 Hills Leisure Trust's corporate structure was limited by guarantee and was treated as an investment by the group on the basis of control. It entered into Members Voluntary Liquidation on 29 March 2023 and was dissolved on 4 May 2025.

**7 Hills Commercial was held indirectly by 7 Hills Leisure Trust. It entered into Members Voluntary Liquidation on 29 March 2023 and was dissolved on 14 September 2024.

*** Phoenix Sports Limited's corporate structure was limited by guarantee and was treated as an investment by the group on the basis of control until Sheffield City Trust ceased to be its only member on 2 January 2025.

****SIV Enterprises was held indirectly by Sheffield International Venues Limited It entered into Members Voluntary Liquidation on 29 March 2023 and was dissolved on 30 April 2025.

The registered office for Sheffield City Trust and Sheffield International Venues Limited is 4th Floor Fountain Precinct, Leopold Street, Sheffield, S1 2JA.

14 Stocks

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Goods for resale	-	257	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15 Debtors

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Trade debtors	28,188	837	28,092	329
Other debtors	172	1,490	139	84
Prepayments and accrued income	150	33,584	163	33,373
Amounts owed by group undertakings	-	-	2,796	3,842
Sheffield City Council	-	2,130	-	2,130
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	28,510	38,041	31,190	39,758
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Prepayments and accrued income includes £nil (2024: £32,490,000) of grant income due from Sheffield City Council following the disposal of Don Valley Stadium and the restructuring of the finance leasing arrangements. This debtor was received at the date at which the charity transferred its venues to Sheffield City Council, on 2 January 2025, and set off against monies owed to the Council.

The carrying value of trade receivables is considered a reasonable approximation of fair value.

Notes to the financial statements *(continued)*

16 Cash at bank and in hand

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Cash at bank and in hand	6,636	7,549	2,337	2,904
Third party ticket monies	87	11,610	-	-
	<u>6,723</u>	<u>19,159</u>	<u>2,337</u>	<u>2,904</u>

Historically, third party ticket monies represent amounts held on behalf of third party event promoters for tickets sold, that would be paid to the promotor when the event has taken place. At 31 March 2025, they are owed to SMG Europe Holdings Limited who have taken over the running of Utilita Arena Sheffield and Sheffield City Hall.

17 Creditors: amounts falling due within one year

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Bank loans	-	59	-	59
Obligations under finance leases	-	51	-	51
Trade creditors	4,680	1,739	4,680	1,731
Other creditors including taxation and social security	27,971	13,971	27,976	995
Accruals and deferred income	385	3,462	385	2,469
Amounts owed to group undertakings	-	-	-	1,489
Other loans	-	3,513	-	3,513
Sheffield City Council	-	140,425	-	140,425
	<u>33,036</u>	<u>163,220</u>	<u>33,041</u>	<u>150,732</u>

Included within other creditors are amounts due to third party event promoters of £nil (2024: £12,011,000).

Included in the group accruals and deferred income is deferred income of £nil (2024: £1,395,000) which relates to memberships and events.

Amounts owed to group undertakings are interest free and repayable on demand.

The carrying amount of trade and other payables approximates to their fair value.

The finance lease liability is secured against the assets for which the finance is provided.

At 31 March 2024, the group had two bank loans to fund the purchase of fixed assets at rates of 4.5% and 3.87% with outstanding balances of £56,000 and £3,000 respectively. These were fully repaid during the year.

During 2014 the charity took a five year loan of £3,500,000 from Sheffield City Council for the refurbishment of the Utilita Arena Sheffield at an interest rate, per annum, of 2.0% above the Bank of England's base rate and during 2015 the charity took a five year loan of £1,750,000 from Sheffield City Council for the refurbishment of Ponds Forge International Sports Centre at an interest rate, per annum, of 2.0% above the Bank of England's base rate.

These loans were consolidated into a combined loan of £1,575,000 in January 2019 over five years at a rate of 2% above the Bank of England's base rate, with a balance at 31 March 2024 of £1,313,000. This was repaid in full during the year.

In 2020, the charity received a five-year loan of £1,000,000 from Sheffield City Council to assist with cashflow at an interest rate of 2%, above the Bank of England's base rate and during 2021 the charity received a further 4 year loan of £1,200,000 from Sheffield City Council to assist with cashflow at an interest rate of 2% above the Bank of England's base rate. These were repaid in full during the year.

Under the terms of the Shortfall Funding Agreement between the charity and Sheffield City Council, the council made payments bi-annually sufficient in value to enable the charity to meet its bond repayment obligations. These receipts were repayable to Sheffield City Council following exercise of the termination clause in the Shortfall Funding Agreement, and on this basis termination and repayment had effect on 2 January 2025.

Notes to the financial statements *(continued)*

18 Provisions for liabilities

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Dilapidation provision	-	150	-	150
Redundancy Provision	486	1,461	486	1,461
	<u>486</u>	<u>1,611</u>	<u>486</u>	<u>1,611</u>

Redundancy provision

A provision of £486,000 (2024: £1,461,000) has been included for the cost of redundancies which will be made following the transfer of venues to new operators in January 2025.

Deferred tax

	Accelerated tax depreciation £000	Other timing differences £000	2025 Total £000	2024 Total £000
At 1 April 2023	32	(339)	(307)	(1,024)
Movement in year	(91)	166	75	717
	<u>(59)</u>	<u>(173)</u>	<u>(232)</u>	<u>(307)</u>
At 31 March 2024 & 1 April 2024	59	173	232	75
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232)</u>
At 31 March 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232)</u>
Recognised	-	-	-	-
Unrecognised	-	-	-	(232)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232)</u>

In 2024, the deferred tax asset was not recognised on the grounds that there was insufficient evidence that the asset would be recovered.

19 Analysis of group net assets between funds

	2025			2024		
	Unrestricted (designated and general) £000	Restricted £000	Total £000	Unrestricted (designated and general) £000	Restricted £000	Total £000
Tangible fixed assets	-	-	-	114,987	24,182	139,169
Intangible Assets	-	-	-	7	-	7
Net current (liabilities)/assets	2,197	-	2,197	(105,763)	-	(105,763)
Liabilities falling due after more than one year	-	-	-	-	-	-
Provision for liabilities and charges	(486)	-	(486)	(1,611)	-	(1,611)
Negative goodwill	-	-	-	(6,163)	-	(6,163)
	<u>1,711</u>	<u>-</u>	<u>1,711</u>	<u>1,457</u>	<u>24,182</u>	<u>25,639</u>
Net assets as at 31 March 2025	<u>1,711</u>	<u>-</u>	<u>1,711</u>	<u>1,457</u>	<u>24,182</u>	<u>25,639</u>

Notes to the financial statements *(continued)*

20 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	-	38	-	38
In the second to fifth years inclusive	-	-	-	-
More than five years	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	38	-	38
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

At 31 March 2025, the group had no commitments to purchase fixed assets (2024: £39,000).

21 Pension scheme

Defined contribution pension scheme – Group and Company

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £268,000 (2024: £316,000).

Contributions amounting to £1,000 (2024: £45,000) were payable to the scheme and are included in creditors.

Defined benefit pension scheme – Group and Company

The group contributed to a defined benefit pension scheme operated by South Yorkshire Pension Authority. On 31 March 2022, the historic assets and liabilities of the groups South Yorkshire Pension Scheme were subsumed into the Sheffield City Council South Yorkshire Pension scheme. The group was discharged of its net liability on this date. The Trust has no liability to the plan for other entities' obligations. Contributions to the defined benefit pension scheme are included in the profit and loss account.

At 31 March 2025, there are no active members of the defined benefit plan and as such, no further contributions will be made to the scheme.

The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £307,000 (2024: £382,000).

Contributions amounting to £8,000 (2024: £44,000) were payable to the scheme and are included in creditors.

22 Directors and key management

Remuneration, including redundancy payments, amounting to £913,000 (2024: £522,000, no redundancy payments) was paid to directors and other key management during the year. In addition, the charity made contributions of £150,000 (2024: £61,000) to defined benefit schemes in respect of the directors and other key management.

23 Accounting estimates and judgements

In preparing these financial statements, the trustees have had to make the following judgements:

Determine whether there are indicators of impairment of the charity's non-current assets. The investments were fully impaired in previous years and there is no indication in the current financial year that would result in a reversal of this impairment.

Notes to the financial statements *(continued)*

24 Contingent assets and liabilities

The director of Sheffield International Venues Limited, a wholly owned subsidiary of Sheffield City Trust, declared and paid gift aid payments totalling £1,711,000 on 24 December 2025 to Sheffield City Trust. As this gift aid payment was declared and paid post year end, it has not been recognised as income in the year. Due to the funding arrangements in place with Sheffield City Council, once received, this became payable to them. Refer to the trustees' and directors' report (including strategic report) on page 1 for more information.

25 Post balance sheet events

On 30 April 2025, SIV Enterprises Limited was dissolved and on 4 May 2025 7 Hills Leisure Trust was dissolved.

On 24 December 2025, the director of Sheffield International Venues Limited, a wholly owned subsidiary of Sheffield City Trust, declared and paid gift aid payments totalling £1,711,000 to Sheffield City Trust.

26 Related Party Transactions

During the year the group hired space for a curling session at iceSheffield to Cavendish Cancer Care, a charity which has a trustee who is also a trustee of Sheffield City Trust. The transaction was conducted on an arms length basis and revenue of £745 was recognised during the year. This was paid in full during the year.

SHEFFIELD CITY TRUST

England & Wales - Charity number 700520

Accounts

Sheffield City Trust

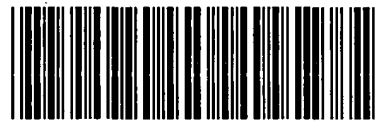
**Annual report and consolidated
financial statements**

Registered number 2164600

Charity Registration Number 700520

Year ended 31 March 2024

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COMPANIES HOUSE

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Trustees' and directors' report (including strategic report)

The trustees, who act as directors for the purpose of company law, are pleased to present their report and financial statements for the year ended 31 March 2024.

Purpose of the charity

The objects of the charity are as detailed in the charity's governing document, its Articles of Association.

- 1 An object of the charity is to promote the benefit of the inhabitants of South Yorkshire and surrounding counties by the provision of facilities for recreation and leisure time occupation in the interest of social welfare. The charity has continued in its policies of providing recreational and other leisure facilities of a high standard and as economically as possible. The charity seeks to encourage high levels of use by the community with policies that encourage wide public access. There has been no material change in these policies over the relevant period.
- 2 A further object of the charity is to promote and preserve good physical and mental health. The objective is pursued by encouraging high levels of use of recreational and leisure facilities by the community. In addition, the charity has a policy of carrying out ad hoc initiatives and giving financial support to appropriate projects which has been continued during the year.
- 3 Other objects of the charity include the encouragement of the arts and the acquisition, preservation, restoration and maintenance of buildings of historic and architectural interest in Sheffield.

Activities

In furtherance of the charity's object to provide facilities for recreation and other leisure time occupations Sheffield City Trust operated the following facilities directly in the year:

- Beauchief Golf Course
- Birley Golf Course
- Concord Sports Centre
- Heeley Swimming Pool and Gym
- Hillsborough Leisure Centre
- iceSheffield
- Ponds Forge International Sports Centre
- Sinfin Golf Course (until 31 July 2024)
- Springs Leisure Centre
- Tupton Park Golf Course (until 16 December 2024)
- Tinsley Park Golf Course
- Westfield Sports Centre (until 3 January 2024)

The charity has continued to operate the following facilities through its Subsidiary, Sheffield International Venues Limited:

- English Institute of Sport – Sheffield
- Utilita Arena Sheffield
- Sheffield City Hall

Sheffield International Venues Limited also acts as principal for all commercial activity within the above venues.

Any profits made by Sheffield International Venues Limited, where the company has sufficient distributable reserves, may be passed back to the charity by way of a gift aided payment.

The operation of leisure facilities continues to be the primary way in which the two main objects of the charity are achieved. The trustees ensure that participation continues to grow and benchmark attendance against national standards. Prices are set at a level that encourages use by as many people as possible and many facilities are full at peak times.

Trustees' and directors' report (including strategic report) (continued)

Activities (continued)

The total number of memberships as a holistic number has peaked to a post Covid-19 high, including child activities and fitness products. Shortages in supplies and the challenges we face with recruitment and more recently the impact of inflation (cost of living) have required a responsive, adaptive and flexible approach to be continued over the past 12 months to maintain this good performance.

For the third year in succession we have included concessionary rates on all activities to try to alleviate the financial burden on groups that typically would welcome this discount. A discount of 40% is applied to all relevant activities and has seen a very good uptake, specifically from families of children on free school meals. On coached admissions we have over 2,750 children benefiting from this each week.

The English Institute of Sport – Sheffield continues to be the home for GB Boxing, GB Para Badminton, GB Para Table Tennis and GB Goalball along with Sheffield Hallam University's Sport and Physical Activity academic learning. At Ponds Forge International Sports Centre (ISC), the swimming clubs have prepared to enter the Olympic year with various athletes aiming to be in Paris 2024. The Utilita Arena Sheffield is the home of the Elite Ice Hockey League team, the Sheffield Steelers.

The charity continues to partner with the National Centre for Sport and Exercise Medicine in Sheffield ('NCSEM') where clinical facilities are co-located with facilities for sport and exercise. At Concord Sports Centre, NHS patients are treated in an environment which promotes physical activity as medicine. The centre also promotes physical activity as a prime preventer of ill health with exit routes for patients into our exercise referral scheme and other activities.

Essential maintenance work has been undertaken on various facilities in partnership with Sheffield City Council. In July 2023, the competition pool at Ponds Forge ISC was closed for an eight-week period for planned essential maintenance, and in November 2023, Heeley swimming pool was closed for 5 weeks, for the same purpose.

We have had a strong year for our event programme, with both regional, national and international events being hosted across the group. EIS Sheffield hosted international events in the sports of badminton, table tennis and boxing through collaboration with Sheffield City Council and the National Governing Bodies that call Sheffield home.

Golf has continued gaining in its popularity, as it allows exercise while outside and socialising with friends. This has had a positive effect on the usage of all five of the charity's courses.

Utilita Arena Sheffield and Sheffield City Hall delivered a wide and varied arts and entertainment programme hosting some of the most popular acts in music, comedy and theatre. Opera and ballet also appeared in the programme as well as the Sheffield International Classical Concert Season featuring both international and domestic orchestras. Community events have always been a major part of the charity's events diary, and these include the popular community tea dances, local dance school performances and the local amateur dramatic society, Manor Operatic Society, who performed a week long musical in May (Grease - The Musical) and their traditional two week pantomime, Robin Hood & His Merry Men at Christmas.

In the latest Pollstar ratings of European venues The City Hall was ranked as the number 3 venue in the Theatre category (number 1 in the UK) and the Utilita Arena Sheffield was 18th in the Arena category (number 8 in the UK). This covered the period from January 2023 to March 2024.

Elite Ice Hockey League continued to play a major part of the events programme with the ongoing partnership with the Sheffield Steelers. This year, together with the Steelers, the Utilita Arena Sheffield hosted 37 games and welcomed 260,190 fans, predominantly from the local Sheffield area. This included the Elite League Challenge Cup Final. The International Ice Hockey Federation (IIHF) have recently reported that, the venue was the 18th most attended ice hockey stadium in Europe improving from last year of 24th. The venue continues to be the number one attended Ice Hockey Stadium in the UK.

Trustees' and directors' report (including strategic report) (continued)

Activities (continued)

Our community development activities continue to support the local area away from the facilities. Work with school and education establishments sees engagement and support to over 120 local schools, through coaching, provision of equipment, tickets and subsidised venue hire.

A Summer Sports Van programme saw large levels of engagement with a continuation in certain locations as we work closely with Community Officers and Councillors. This sees activity and engagement, as well as food distribution as we look to engage through different needs for local families.

Our involvement in the Healthy Activities and Food (HAF) programme has again been extensive, with over 10,000 children accessing a range of our facilities as we provide activities and food for children on free school meals during holiday weeks. This delivery has seen children learning to swim and learning to skate, as well as partnering with various community organisations to ensure an offer is available to all local families that surround our leisure facilities.

The charity does not set targets for grant giving as it is a comparatively small part of the work undertaken. As stated above, the provision and management of the facilities is the primary method of meeting the objects of the charity. The trustees monitor the level of funds in the designated fund (see note 4 of the financial statements) in order to ensure that they make best use of the limited income available and do make grants to community groups in Sheffield in order to support their work promoting sports and physical activity within their communities.

In measuring achievements against the above objectives, the charity uses financial measures, a review of which is given below. In addition to financial performance measures, the charity monitors the performance of its venues using non-financial key performance indicators that give information regarding attendance at each venue by activity, and split attendances by age and gender. These performance indicators are monitored against targets and previous years' results.

Financial Review

The funding agreements for the venues between the charity and Sheffield City Council mean the charity is entitled to receive income to partially fund its operating activities, which in the year amounted to £10,080,000 (2023: £7,688,000).

When considering the financial performance of the charity the trustees examine the results of each facility that the charity operates. In 2023/24 financial performance and attendance levels from community usage continued to grow, however the impact of continuing difficult economic circumstances on the majority of users continued to be felt. The group had positive unrestricted general reserves at 31 March 2024 of £1,314,000 (2023: £1,640,000).

Total incoming resources amounted to £50,832,000 (2023: £41,546,000) and total resources expended amounted to £58,056,000 (2023: £39,048,000) resulting in net outgoing resources before tax of £7,224,000 (2023: incoming resources of £2,498,000).

The results of the charity's trading subsidiary, Sheffield International Venues Limited and also Phoenix Sports Limited are set out in note 2 to the financial statements.

The principal activities of Sheffield International Venues Limited in the year under review were the management of the facilities to deliver commercial income. These activities are in support of the charity's activities such as providing public catering in the buildings and supporting elite athletes to use the spaces when not in use by the general public. Sheffield International Venues also manages unrelated commercial activity that raises the profile of the charity and its facilities and generates income which is used to support the core charitable activities.

7 Hills Leisure Trust has not traded in the year and the objective of the charity in the year was to allow the orderly wind up of the charity. On 29 March 2023, the charity, together with its dormant subsidiary, 7 Hills Commercial Limited, and SIV Enterprises Limited entered Members Voluntary Liquidations (MVL).

In March 2024, the final coupons were paid on the Charity's Luxembourg-listed debt securities. The Charity ceased to be a listed company at that time and is no longer subject to the securities laws and regulations which apply to companies with publicly traded bonds.

Trustees' and directors' report (including strategic report) (continued)

Business review

The trustees consider the general trend in financial performance of the venues to be satisfactory considering the economic climate.

Sheffield City Council continues to support the charity financially under the existing funding agreements. In addition to venue-specific funding, Sheffield City Trust entered into an agreement with Sheffield City Council on 31 March 2022, which was updated by a Deed of Extension on 10 July 2023 to support the charity's operations and solvency over the period to December 2024 and beyond. This has allowed the trustees to continue to deliver services at current levels and to plan for the orderly transfer of services to a new operator. The trustees believe investment can be made in the facilities in a financially sustainable way in partnership with Sheffield City Council and continue to work with Sheffield City Council on this.

As disclosed in note 1, a procurement process was initiated by Sheffield City Council for the future operation of the charity's facilities, with the result that the company is expected to cease to operate its facilities from January 2025, at which point SCT will transfer its operational assets and staff to Sheffield City Council or (as the Council may require) to the new operators appointed by the Council. Support provided by Sheffield City Council to the Sheffield City Trust group will continue throughout both the period of continued operation of facilities and after that until the charity's solvent liquidation, as to which please refer to note 1. As such, the directors do not consider the charity to be a going concern.

Our pricing policy

Prices are set to enable as many people as possible to use the facilities while ensuring that income generated is sufficient to cover the costs of the charity. General economic trends are currently showing sustained significant cost rises across much of our key expenditure items therefore, as far as possible, a higher level of income must be generated by use of the facilities from both core charitable activities and commercial activities, managed by another company within the group. However, it is essential that prices are affordable and in no way create a barrier to use of the facilities by any of the people of Sheffield and concessionary prices are used to ensure that the least wealthy are able to attend.

The trustees review pricing for all charitable activities on an annual basis in order to deliver the best possible facilities to all citizens of Sheffield at affordable prices.

Investment powers and policy

The trustees balance the needs of the organisation to have funds available for the operations of the charity and the need to maximise investment returns. Recently, interest rates have been rising and the charity has responded by moving its funds into accounts which generate a better return thus generating additional income.

No funds are invested in non-cash assets such as property or shares. All property owned by the charity is in order to deliver services directly to the beneficiaries. The trustees believe that the level of cash and bank assets owned is insufficient for the charity to consider investment in stock, shares or bonds, particularly in the current volatile climate for investments.

Pension Scheme

The charitable group contributes to a defined benefit pension scheme provided by South Yorkshire Pension Authority ("SYPA"). As disclosed in previous years a number of members transferred into the SYPA scheme under the provision of TUPE. The scheme closed to new members on 1 September 2009.

On 31 March 2022, the group entered into an agreement with Sheffield City Council in which the historic pension assets and liabilities transferred to Sheffield City Council, thus removing the deficit from the balance sheet of Sheffield City Trust. Sheffield City Trust continues to pay contributions into the scheme for all eligible employees and the future benefits of those employees were unaffected by the change.

All new employees since 1 September 2009 who didn't join under the provisions of TUPE have been eligible to join a defined contribution, group money purchase scheme. Since 1 January 2014 the group has provided pensions under the auto-enrolment provisions and all new employees are automatically enrolled into the group money purchase scheme unless they decide to opt out.

Trustees' and directors' report (including strategic report) (continued)

Reserves policy

The reserves of the charity are split between restricted and unrestricted funds. It is the policy of the trustees to spend unrestricted reserves in pursuit of the charitable objectives in a way that maximises their value in meeting those objectives. At the end of the financial year, the charity had consolidated unrestricted funds of £1,457,000 (2023: £2,017,000) and restricted funds of £24,182,000 (2023: £30,846,000).

The restricted funds of the charity at 31 March 2024 are set out in note 5 of the financial statements.

The level of free reserves at the end of the financial year was £418,000 (2023: negative £2,569,000).

As described above under "Business Review", Sheffield City Council is supporting the operations of the charity, and its eventual planned solvent liquidation, under the Funding Agreement dated 31 March 2022. This arrangement being the main financial support for the charity until its winding up, the trustees consider it appropriate to target a neutral reserves position. To achieve this the charity will continue to drive an increase in footfall across all venues and maximise attendances, whilst continuing to grow the programme of events across both the entertainment and sporting venues, whilst it continues to operate the venues. For further information refer to 'plans for future periods'.

The 31 March 2022 Funding Agreement, together with the positive cash balances held by the charity, provide the trustees with the necessary comfort to continue trading until the management and operation of the venues is handed back to Sheffield City Council and then on to new operators. The Trustees believe that, in light of the provisions of the Funding Agreement, the level of reserves is satisfactory at present.

Plans for future periods

The trustees considered the future of the charity and believe that it will largely be a continuation of the existing model for the nine months that the charity will continue to operate the venues after March 2024. The trustees and senior leadership team continue to drive the charity and its business forward, aiming to maximise usage and attendances whilst recognising that the current difficult economic conditions affecting the majority of users may have a negative impact on that goal.

As from completion in January 2025 of the transfer of Sheffield City Trust's assets at the conclusion of Sheffield City Council's public procurement processes (refer to note 1 for more detail), the charity expects to cease operating any of the venues. It intends that the charity will then proceed to an orderly wind up and solvent liquidation, supported financially by Sheffield City Council.

It is anticipated that the charity will cease to be a member of Phoenix Sports Limited in January 2025, with Sheffield City Council or a company, as directed by Sheffield City Council, becoming the sole member.

The performance of the group in the first six months of 2024/25 was satisfactory, when taking into account the challenging general economic climate. It is the intention of the trustees to continue to invest in facilities as much as possible and to maximise attendances, as much as possible during these challenging economic times and up until the date of handover.

Trustees' and directors' report (including strategic report) (continued)

Reference and administrative details

Charity Registration Number: 700520
Company Registration Number: 2164600

Registered Office

English Institute of Sport - Sheffield
Coleridge Road
Sheffield
S9 5DA

Secretary

LM Gavin

Advisers

Solicitor

Hemingways Solicitors Limited
11 Westbourne Road
Sheffield
S10 2QQ

Auditor

Crowe U.K. LLP
St George's House
56 Peter Street
Manchester
M2 3NQ

Banker

Barclays Bank Plc
10-12 Pinstone Street
Sheffield
S1 2HN

Directors and directors' interests

The trustees, who also act as directors, who held office during the year and after the year end are as follows:

P Abel
H Best
L Clarke
D Grey MBE
G Moore (deceased 1 December 2024)
A Pettifer MBE
R Plews
P Taylor
J Warner

The charity has a Group Audit Committee and Mr J Warner is chairman of that Group Audit Committee. The Group Audit Committee members are Mr J Warner and Mr R Plews.

None of the trustees who held office at the end of the financial year had any disclosable interest in debentures of the charity or in any shares or debentures of any other group company.

According to the Register of Trustees' Interests, no rights to subscribe for debentures of the charity or in any shares or debentures of any other group company were granted to any of the trustees or their immediate families or exercised by them during the year.

Employees

The group has a policy of offering job opportunities to persons with disabilities where possible.

The group has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues.

The senior employee of the group is:

Chief Executive Andrew Snelling

Insurance for trustees and officers

Insurance for trustees and officers against liabilities in relation to the group, as permitted by the Companies Act 2006, is maintained under a policy held by Sheffield City Trust. The cost of this amounted to £15,000 (2023: £15,000).

Trustees' and directors' report (including strategic report) (continued)

Structure, governance and management

Sheffield City Trust is a company limited by guarantee and a registered charity and is governed by its Articles of Association. The trustees are the members of the charity under company law. The charity is domiciled and its principal place of business is in the UK.

The trustees recognise the importance of communication with beneficiaries and will issue regular newsletters and updates on specific projects and overall performance. These reports may also include some summary financial information from the financial statements of the charity.

Organisation of the charity

At present the charity has eight trustees. Following the outcome of Sheffield City Council's tender process, given the charity will cease to operate the venues from January 2025, and subsequently wind up, the charity does not intend to look to attract any further trustees.

During the year, the charity had five wholly owned subsidiaries, Sheffield International Venues Limited, SIV Enterprises Limited, Phoenix Sports Limited, a company limited by guarantee, which has complementary objects, 7 Hills Leisure Trust, a registered charity, with independent trustees, but of which the charity is the sole member and 7 Hills Commercial Limited. SIV Enterprises Limited, 7 Hills Leisure Trust and 7 Hills Commercial Limited did not trade during the year and on 29 March 2023, were put into Members Voluntary Liquidation.

Sheffield International Venues Limited undertakes all commercial activities in the venues in order to support the charitable activity.

The overall management and control of the charity's activities and finances are vested in the Chief Executive, Andrew Snelling. The board of the charity meets monthly and Mr Snelling attends all meetings, reporting on all key operational and financial matters. There is a Group Audit Committee which meets as required. There is a Charitable Purposes Committee which focuses on the work of the charity outside the venues. The Charitable Purposes Committee has three members, Helen Best, Chairwoman, Graham Moore and Peter Taylor.

Trustee induction and training

On joining the charity, new trustees benefited from an induction process in which they spent some time with the chairman and chief executive and then the other senior managers and familiarised themselves with the operations of the charity and its subsidiaries.

Each trustee takes a special interest in one aspect of the charity's operations or support functions to be able to act as a point of contact for senior management. As with any special skills that any trustees may have, this arrangement adds to the effectiveness of the trustee board but doesn't change the responsibility of all trustees for all aspects of the governance and activities of the charity.

Relationship with other charities and organisations

The charity co-operates closely with Sheffield City Council as appropriate in pursuit of its charitable objectives. The relationship is conducted in accordance with formal funding agreements. A councillor and an officer of the council are invited to attend as observers at each meeting of the board. The council did not appoint a nominee director to the board of Sheffield International Venues Limited in the year. The council reserves the right to appoint a director in the future.

Pay policy for senior staff

The trustees, who act as directors for the purpose of company law, consider that the board of trustees and the chief executive comprise the key management personnel of the charity in charge of directing and controlling and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received any remuneration in the year.

The pay of the chief executive is reviewed annually by the board of trustees. In view of the nature of the charity, the trustees benchmark against pay levels in other leisure trusts and other similar organisations.

Trustees' and directors' report (including strategic report) (continued)

Pay policy for senior staff (continued)

All such organisations are different, and the trustees are aware of the organisational complexities of the group and take this into consideration when comparing with larger charities. The trustees also look at similar job roles in the local, Sheffield, economy and other local charitable organisations to ensure that salaries are reasonable within the market:

Management of risk

The trustees are responsible for ensuring the effective management of risk including a system of internal financial control which is maintained by the charity. They consider risk management to be an important part of their role and endeavour to follow best practice.

During the year, the management teams at each venue have again discussed the risks identified with the members of the senior leadership team and have ensured that proper controls are in place within their venue. They have also considered each of the objectives set for the venue in the corporate strategy of the charity to ensure that the risks are linked into the operational objectives and that the process of risk mitigation is embedded in the action plans to deliver the objectives. This work of monitoring and mitigating risks within the venues continues to be a major task of the general manager at each venue. The senior leadership team regularly considers corporate risk in its meetings and updates the risk register accordingly. The Group Audit Committee reviews this process at each of its meetings as a standard agenda item providing additional checks and specific skill on top of the trustees' own monitoring process.

The trustees believe one of the key risks to the charity to be the ability of Sheffield City Council to provide adequate funds to maintain the buildings during the period in which they are operated by the Sheffield City Trust group. Additional funding has been provided by Sheffield City Council to cover the cost of essential maintenance work on the venues during the period through to January 2025 and the planned transfer of the facilities to new operators procured by the Council.

The trustees also believe the general economic climate to be a major risk to the group, particularly in respect of the significant rise in cost of living over recent years. The general rise in cost of living is impacting on individuals' disposable incomes and as such will impact on the ability of customers to pay for the services offered by the company, as they choose where to spend what disposable income they have.

Rising prices in recent years, which remain stubbornly high, are also considered a major risk to the group, in particular higher energy costs, as energy costs make up a significant part of the charity's overall cost base, however these costs are managed to the extent possible through fixed price contracts.

Following the procurement process initiated by Sheffield City Council to identify new operators for the entertainment and leisure facilities, the charity will cease to operate any venues from January 2025. All venues are expected to transfer to Sheffield City Council, and ultimately to new operators in January 2025. Support provided by Sheffield City Council to the Sheffield City Trust group will continue throughout both the period of continued operation of facilities and then beyond, until such time as the Trust has completed the process of winding up, solvently (refer to note 1 for further detail). As such, the directors do not consider the company to be a going concern.

The trustees have identified a number of other risks which they consider to be important to the business and have action plans to mitigate against them but believe that the risks considered above are the most significant.

Public Benefit

The trustees are aware of their duty to ensure that the charity provides a public benefit. Each year the prices charged for the charitable activities within each venue are reviewed by the trustees in order to ensure that they are reasonable and affordable to the vast majority of the citizens of Sheffield. The trustees are proud of their fitness membership package which provides high quality fitness membership at very good value for money, the excellent coached activity programme which provides affordable access to swimming, gymnastics and trampolining lessons amongst others and of the low prices of the Sheffield International Concert Season. In increasingly difficult economic times it is becoming difficult to maintain access to so many citizens. The trustees believe that the high levels of customer service, for which the group has won awards, demonstrates an ethos of providing the highest possible standards to all. Additionally, the charity offers concessionary prices on all products, including fitness membership and coached programmes, at 40% discount. The level and breadth of discount available are market leading and reflect the charity's commitment to ensuring services are available to as many of the citizens of Sheffield as possible.

The charity is the only member of 7 Hills Leisure Trust, a now dormant charity going through Members Voluntary Liquidation.

Trustees' and directors' report (including strategic report) (continued)

Stakeholder engagement and section 172 statement

The group operates in an environment which involves engagement with a wide network of stakeholders. The trustees understand that its relationships with stakeholders evolve and change over time. To respond to this, the Board keeps itself informed of its key stakeholders' interests through a combination of both direct and indirect engagement.

The trustees have regard to the interests of their stakeholders when discharging their duties. The trustees have identified the key stakeholders as its customers, people (employees), suppliers and the communities in which it operates. This section describes how the Board engages with its key stakeholders and how it considers their interests when making decisions. Further, it demonstrates how the board takes into consideration the long-term impact of its decisions, its desire to maintain a reputation for high standards of business conduct, and its requirement to act fairly between members of the group.

Customers

The trustees recognise that the importance of creating long lasting relationships with our customers and partners is vital to the way we do business.

For example, through the quality of the experience provided in venues and interaction with our general customer base whilst in our venues, through the GP exercise referral programme that we offer and work we do with our customers to benefit the local community, we develop and build lasting relationships which work to the benefit of all parties. Our reputation and success are built on the relationships we create, and we ensure that we continue to build on these for the future.

In addition, we carry out formal and informal feedback with customers that use our venues, using the results of this feedback to further develop relationships and make changes to the business where it is considered appropriate to do so.

In making strategic business decisions, the trustees consider their impact on customers, for example when considering the pricing structure, and aim to make business decisions that are beneficial and in the interests of the customer base.

People

Our people are fundamental to the charity's success. We recognise that their opinions count towards improving the workplace and the continued performance of the business.

The charity has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues. We engage with our people through surveys, by providing learning and development opportunities where required and through providing access to health and wellbeing initiatives.

The charity has a policy of offering job opportunities to persons with disabilities where possible.

Suppliers

The group's supply chain plays an important part in the delivery of its strategy and its success is tied to the performance of suppliers.

We continue to build strong relationships with our key suppliers and our wider stakeholder population. We are committed to securing services and supplies from local suppliers to support the strategy of the group and the importance it places on the local economy.

The group ensures that it maintains high standards of business conduct throughout its supply chain.

Communities and environment

It is important to us to support and give back to the local communities in which we operate including a commitment to supporting employees to give time to community and charitable activities. These include operating various activities within the community, for example cooking meals for the homeless, volunteering in local food banks and volunteering in local schools. We continue to monitor and are committed to reducing our carbon footprint.

Trustees' and directors' report (including strategic report) (continued)

Streamlined Energy and Carbon Reporting

UK energy use and associated greenhouse gas emissions

Current UK based annual energy usage and associated annual greenhouse gas (“GHG”) emissions are reported pursuant to the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (“the 2018 Regulations”) that came into force 1st April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are for those assets owned or controlled within the UK only as defined by the operational control boundary. This includes fifteen sites, along with fleet vehicles and personal vehicles used for business mileage (“grey fleet”).

Reporting period

The annual reporting period is 1st April to 31st March each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2023 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Zenergi Limited.

Electricity, gas, purchased heat and oil consumption were based on consumption data and invoice records, while mileage expense claims and fuel records were used to calculate energy and emissions from fleet vehicles and grey fleet. Where energy data was not available, the pro-rata estimation technique has been applied and noted on the carbon dashboard. 2022/23 emission figures have been revised. Total fuel data was not provided. This has been reviewed and validated in 2023/24 reporting period. To align carbon consumption, the direct comparison estimation technique has been applied. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of trust activities but occur from sources not owned or controlled by the organisation (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	Reporting Year 2022-2023	Reporting Year 2023-2024
Mandatory energy sources:		
Gas	10,649,947	9,339,084
Purchased electricity	18,308,276	16,888,503
Transport fuel	92,264	91,527
Total Energy (mandatory)	29,050,487	26,319,114
Voluntary energy sources:		
District heating	21,362,227	18,134,726
Oil	449,051	427,036
Total energy (voluntary)	21,811,278	18,561,762
Total energy (mandatory and voluntary)	50,861,765	44,880,876

Trustees' and directors' report (including strategic report) (continued)

Streamlined Energy and Carbon Reporting (continued)

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	Reporting Year 2022-2023	Reporting Year 2023-2024
Mandatory emission sources:		
Scope 1		
Gas	1,944.0	1,708.4
Trust owned vehicles	11.9	11.6
Scope 2		
Purchased electricity (location based)	3,540.5	3,497.2
Scope 3:		
Category 6: Business travel (grey fleet)	7.7	7.6
Total gross emissions (mandatory)	5,504.1	5,224.8
Voluntary emission sources:		
Scope 1		
Oil	116.1	110.4
Scope 2		
District Heating	3,647.2	3,257.8
Total gross emissions (voluntary)	3,763.3	3,368.2
Total gross emissions (mandatory and voluntary)	9,267.4	8,593.0
Outside of scopes		
Biofuel (CO ₂ only)	34.7	33.4

Outside of scopes emissions are used to account for burning biomass and other biofuels. The emissions are labelled 'outside of scopes' because the scope 1 impact of the CO₂ released through these fuels has been determined to be 'net zero' (since the fuel source itself absorbs an equivalent amount of CO₂ during the growth phase as the CO₂ released through combustion). Therefore, to fully account for the emissions, the CO₂ component of the combustion process is quantified but placed 'outside of scopes,' (as opposed to in scope 1 which is usual for directly combusted fuels). The CH₄ and N₂O components of the combustion of the fuel have been reported in scope 1.

Intensity ratios	Reporting Year 2022-2023	Reporting Year 2023-2024
Mandatory emission only:		
Tonnes of CO ₂ e per thousand-square meter floor area	46.6	44.2
Mandatory and voluntary emissions:		
Tonnes of CO ₂ e per thousand-square meter floor area	78.4	72.7

Intensity ratio

The intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per thousand-square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions. Floor area is calculated using Gross Internal Area, predominantly from Display Energy Certificates and Energy Performance Certificates.

Trustees' and directors' report (including strategic report) (continued)

Streamlined Energy and Carbon Reporting (continued)

Energy efficiency action during current financial year

The ESOS Phase 2 audits carried out in 2019 identified a number of short and long term energy saving opportunities; below are actions that took place during the 2023/24 reporting period.

- Staff awareness has increased through education on how to be more energy efficient, reducing wastage. This initiative has an estimated annual saving of around 1,300 MWh and 230 tCO₂e.
- Fan speed controls were restored in air handling units 1 and 2, at Hillsborough Leisure Centre during the 2023 BMS refurbishment, resulting in a potential annual saving of 100 MWh and 26 tCO₂e.
- Dampers in the east and west air handling units at Ponds Forge have been repaired and replaced resulting in an approximate annual saving of 133 MWh.
- LED lighting upgrades at Sheffield Arena, Ponds Forge, English Institute of Sport, Hillsborough Leisure Centre and ICE Sheffield, significantly reducing electricity usage.
- Technological investments have continued through the installation of new chillers at the English Institute of Sport, pumps & controls and more energy efficient heat exchangers at Ponds Forge for the pools.
- New BMS systems implemented at Ponds Forge, Hillsborough Leisure Centre and ICE Sheffield.

Sheffield City Trust remains committed to reducing its carbon footprint and continues to look out for new energy saving and funding opportunities going forward.

The format of the SECR disclosure and some of the prior year numbers are slightly different from that reported in the prior year as the charity has changed its energy advisors during the year resulting in minor differences in calculation.

Disclosure of information to auditor

The trustees who held office at the date of approval of the trustees' report and this strategic report confirm that, so far as they are each aware, there is no relevant information of which the group's auditor is unaware; and each trustee has taken all steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Crowe U.K. LLP therefore continued in office.

In accordance with Section 414 of the Companies Act 2006, the company has prepared a trustee's report that includes information that would be included with a strategic report. The trustees authorise both the trustees' report and strategic report below.

By order of the board


D Grey MBE
Chairman

English Institute of Sport - Sheffield
Coleridge Road
Sheffield
S9 5DA
17 December 2024

Company registration number 2164600
Charity registration number 700520

Statement of trustees' responsibilities in respect of the strategic report, the trustees' report and the consolidated financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and charitable company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of their profit or loss for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Sheffield City Trust

Opinion

We have audited the financial statements of Sheffield City Trust (the Trust) and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, Company Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cashflow Statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Trust's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom standards, including FRS 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to note 1 in the financial statements which explains that the company's directors intend to cease operations in January 2025 with a view to winding up the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. The winding up is scheduled to take place in 2025, following a transfer of operations to new providers on completion of a tender process by Sheffield City Council. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditor's report to the members of Sheffield City Trust (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the Trust 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 Trust 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 Trust 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:

We obtained an understanding of the legal and regulatory frameworks within which the Group and Trust operate. We considered this context to be the Companies Act 2006 and Charities Act 2011. We identified the greatest risk of material impact on the non-statutory financial statements from irregularities, including fraud, to be the override of controls by management, completeness of grant income and cutoff of event income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, recalculating grant amortisation and ensuring the correct treatment of a sample of in year grants received, testing the cutoff of events held around the reporting date and reviewing the accounting estimates for bias.

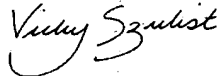
Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the non-statutory financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Independent auditor's report to the members of Sheffield City Trust (*continued*)

Use of our report

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



Vicky Szulist (Senior Statutory Auditor)
for and on behalf of Crowe U.K. LLP, Statutory Auditor
Chartered Accountants
3rd Floor
St Georges House
56 Peter Street
Manchester
M2 3NQ

18th December 2024

Consolidated statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2024

	Unrestricted funds	Restricted Funds – charitable activities	Total funds	Total funds
<i>Note</i>	2024 £000	2024 £000	2024 £000	2023 £000
Incoming resources				
Income from charitable activities	32,194	-	32,194	29,319
Investment income	756	-	756	103
Income from donations and legacies - Grants receivable	211	-	211	212
Income from donations and legacies - Sheffield City Council	10,909	6,762	17,671	11,912
Total incoming resources	44,070	6,762	50,832	41,546
Resources expended				
Expenditure on raising funds	(32,816)	(2,896)	(35,712)	(22,106)
Expenditure on charitable activities – general	(11,814)	(10,530)	(22,344)	(16,942)
Total resources expended	(44,630)	(13,426)	(58,056)	(39,048)
Net (outgoing)/incoming resources before tax	(560)	(6,664)	(7,224)	2,498
Taxation	9	-	-	35
Net (outgoing)/incoming resources before other recognised gains and losses	(560)	(6,664)	(7,224)	2,533
Net (loss)/profit in the year	(560)	(6,664)	(7,224)	2,533
Fund balances brought forward	2,017	30,846	32,863	30,330
Fund balances carried forward	1,457	24,182	25,639	32,863

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

Company statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2024

	Unrestricted funds	Restricted funds – charitable activities	Total funds	Total funds
Note	2024 £000	2024 £000	2024 £000	2023 £000
Incoming resources				
Income from charitable activities	10,901	-	10,901	10,500
Investment income	172	-	172	102
Income from donations and legacies - Grants receivable	6	-	6	7
Income from donations and legacies - Sheffield City Council	10,801	5,115	15,916	11,586
Total incoming resources	21,880	5,115	26,995	22,195
Resources expended				
Expenditure on charitable activities – general	(22,345)	(10,530)	(32,875)	(19,003)
Total resources expended	3 (22,345)	(10,530)	(32,875)	(19,003)
Net (outgoing)/incoming resources before tax	6 (465)	(5,415)	(5,880)	3,192
Tax	-	-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses	(465)	(5,415)	(5,880)	3,192
Net (loss)/profit in the year	(465)	(5,415)	(5,880)	3,192
Fund balances brought forward	1,084	11,040	12,124	8,932
Fund balances carried forward	4/5 619	5,625	6,244	12,124

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

Consolidated balance sheet

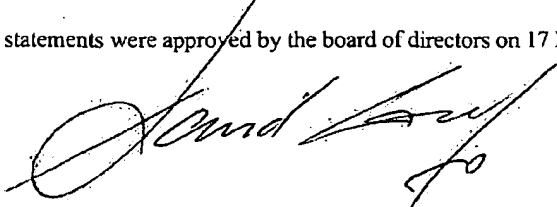
As at 31 March 2024

	Note	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Intangible Assets	11	7		17	
Tangible fixed assets	12	139,169		149,337	
Negative goodwill	10	(6,163)		(6,368)	
		<hr/>	<hr/>	<hr/>	<hr/>
			133,013		142,986
Current assets					
Stocks	14	257		233	
Debtors (including debtors due after one year of £nil (2023: £32,490,000))	15	38,041		35,166	
Cash at bank and in hand	16	7,549		6,013	
Cash at bank and in hand – third party ticket monies	16	11,610		9,036	
		<hr/>	<hr/>	<hr/>	<hr/>
		57,457		50,448	
Creditors: amounts falling due within one year	17	(163,220)		(34,016)	
		<hr/>	<hr/>	<hr/>	<hr/>
Net current (liabilities)/ assets			(105,763)		16,432
			<hr/>		<hr/>
Total assets less current liabilities			27,250		159,418
Creditors: amounts falling due after more than one year	18		-		(126,440)
Provisions for liabilities	19		(1,611)		(115)
			<hr/>		<hr/>
Net assets			25,639		32,863
			<hr/>		<hr/>
Fund balances					
Unrestricted reserves					
Designated reserve	4		143		377
General reserve	4		1,314		1,640
			<hr/>		<hr/>
Net unrestricted funds			1,457		2,017
Restricted funds	5		24,182		30,846
			<hr/>		<hr/>
Total funds			25,639		32,863
			<hr/>		<hr/>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 17 December 2024 and were signed on its behalf by:

D Grey MBE
Chairman



Charity Registration Number 700520 / Company registration number: 2164600

Company balance sheet
As at 31 March 2024

	<i>Note</i>	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Investments	<i>13</i>	-		-	
Intangible assets	<i>11</i>	7		17	
Tangible fixed assets	<i>12</i>	115,918		124,597	
			115,925		124,614
Current assets					
Debtors (including debtors due after one year of £nil (2023 - £32,490,000))	<i>15</i>	39,758		36,454	
Cash at bank and in hand	<i>16</i>	2,904		3,000	
		42,662		39,454	
Creditors: amounts falling due within one year	<i>17</i>	(150,732)		(25,389)	
Net current (liabilities)/assets			(108,070)		14,065
Total assets less current liabilities			7,855		138,679
Creditors: amounts falling due after more than one year	<i>18</i>		-		(126,440)
Provision for liabilities	<i>19</i>		(1,611)		(115)
Net assets			6,244		12,124
Fund balances					
Unrestricted reserves					
Designated reserve	<i>4</i>		143		377
General reserve	<i>4</i>		476		707
Net unrestricted funds			619		1,084
Restricted funds	<i>5</i>		5,625		11,040
Total funds			6,244		12,124

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 17 December 2024 and were signed on its behalf by:

D Grey MBE
Chairman

Charity Registration Number 700520 / Company registration number: 2164600

Consolidated cash flow statement

For year ended 31 March 2023

	<i>Note</i>	2024 £000	2023 £000
Cash flows from operating activities			
Net (outgoing)/incoming resources before other recognised gains or losses		(7,224)	2,533
<i>Adjustments for:</i>			
Depreciation and amortisation	10/11/12	13,204	4,498
Interest receivable and similar income		(756)	(103)
Interest payable and similar charges		1,080	2,047
Profit on disposal		(4)	(5)
Provision for dilapidations and redundancy	19	1,496	115
		<hr/>	<hr/>
		7,796	9,085
Increase in trade and other debtors	15	(2,875)	(845)
Increase in stocks	14	(24)	(17)
Increase in trade and other creditors	17	3,159	3,099
		<hr/>	<hr/>
		8,056	11,322
Tax received		-	35
		<hr/>	<hr/>
Net cash from operating activities		8,056	11,357
Cash flows from investing activities			
Acquisition of tangible fixed assets	12	(3,233)	(2,045)
Proceeds from disposal of tangible fixed assets		6	5
Interest received		756	103
		<hr/>	<hr/>
Net cash from investing activities		(2,471)	(1,937)
Cash flows from financing activities			
Proceeds from new loan		17,608	16,559
Interest paid		(1,076)	(2,043)
Repayment of borrowings		(17,808)	(16,791)
Payment of finance lease liabilities		(199)	(64)
		<hr/>	<hr/>
Net cash from financing activities		(1,475)	(2,339)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		4,110	7,081
Cash and cash equivalents brought forward		15,049	7,968
		<hr/>	<hr/>
Cash and cash equivalents carried forward		19,159	15,049
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of the financial statements.

Consolidated analysis of net debt
For year ended 31 March 2024

	At 1 April 2023 £000	Cashflows £000	Non-cash movements £000	At 31 March 2024 £000
Cash at bank and in hand	15,049	4,110	-	19,159
Bank loans	(259)	200	-	(59)
Other loans	(3,513)	-	-	(3,513)
Finance Leases	(250)	199	-	(51)
Bond	(17,604)	17,608	(4)	-
Sheffield City Council	(122,817)	(17,608)	-	(140,425)
	<u>(129,394)</u>	<u>4,509</u>	<u>(4)</u>	<u>(124,889)</u>

Notes to the financial statements

1 Accounting policies

Sheffield City Trust (the "charity") is a company limited by guarantee, is a registered charity (registration number 700520) and is incorporated and domiciled in the UK. The charity is a public benefit entity.

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (*Charities SORP FRS 102*), the Charities Act 2011 and the Companies Act 2006. The presentation currency of these financial statements is sterling. The current years financial statements are for the year from 1 April 2023 to 31 March 2024 (*2023: 1 April 2022 to 31 March 2023*).

The parent company is included in the consolidated financial statements; and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 24.

Going concern

During the year ended 31 March 2024, Sheffield City Trust had net outgoing resources before tax of £7,224,000, an increase in cash of £4,110,000 to £19,159,000 and Group net assets of £25,639,000 as at 31 March 2024.

Current Trading

Sheffield City Council provides legally binding support to Sheffield City Trust as follows:

Under the 'Shortfall Funding Agreement' Sheffield City Council provides deficit funding support with reference to three venues (Utilita Arena Sheffield, Hillsborough Leisure Centre and Ponds Forge International Sports Centre) which were constructed for the 1991 World Student Games. Under the Shortfall Funding Agreement, Sheffield City Council provided the funds required to repay the charity's £140.25 million bonds and the interest on the bonds. Additionally, Sheffield City Trust entered into a Funding Agreement with Sheffield City Council on 31 March 2022 to provide the funds and cashflow support necessary to support the financial position of the charity until its solvent liquidation.

As with any charity placing reliance on a partner for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Operations Post 2024

Sheffield City Council has confirmed its intention to conclude its public procurement processes in time to allow the transfer the charity's operating assets to Sheffield City Council or the appointed operators, in early January 2025. As indicated above, Sheffield City Council has agreed to support the charity financially both before and after that transfer of assets, through to the charity's solvent liquidation.

It is anticipated that in early January 2025, Sheffield City Trust will cease to be a member of Phoenix Sports Limited with Sheffield City Council, or another company as directed by Sheffield City Council, becoming the sole member, with Phoenix Sports Limited transferring as a going concern.

Conclusion

As a result of the above, the charity will cease to operate any venues in early January 2025 and will thereafter look towards a solvent liquidation following its cessation of trade. The charity is therefore not considered to be a going concern and the accounts have therefore been prepared on this basis. As a result of applying the non-going concern basis, there has been no revision of the numbers.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Operating Segments

The Trustees believe that the Group comprises a single reporting segment, that being the provision of facilities to enable the public to participate in recreational activities, which promotes the health and well being of the people of Sheffield and surrounding areas.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its trading subsidiary undertakings made up to 31 March 2024. The consolidated statement of financial activities consolidates the results of the charitable activities of the group on a line by line basis. Dormant subsidiaries, 7 Hills Leisure Trust, 7 Hills Commercial Limited and SIV Enterprises Limited have been excluded from the consolidation.

Investments

In the charity's financial statements, investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives. Historically, applicable rates were as follows:

Fixtures, fittings and equipment	-	5% to 100% per annum
Leasehold buildings (other than venues)	-	life of lease

No depreciation was provided on freehold or leasehold land.

As a result of the outcome of Sheffield City Council's public procurement process and in line with the lease agreements, all assets are expected to transfer to the new operator and as such depreciation has been accelerated in the current year and all assets, with the exception of those held in Phoenix Sports Limited which will transfer with the legal entity, are being written down to a £nil residual value by 31 December 2024.

Capital grants receivable and restricted funds

In accordance with the requirements of the Financial Reporting Standard 102 "The financial reporting standard applicable in the United Kingdom and Ireland" (Charities SORP (FRS 102)) capital grants are recognised as restricted funds in the accounting period in which they are received. Depreciation charged over the period imposed by the grant agreement associated with the restricted fund, is included within restricted funds. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Revenue grants and unrestricted funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Revenue grants are recognised in the period in which the relevant expenditure is incurred and in line with any conditions specific to the grant. Where performance criteria are met, the grant is released.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Pension costs (continued)

In the year, the group contributed to a pension scheme operated by South Yorkshire Pension Authority providing benefits based on final pensionable pay. On 31 March 2022, the historic assets and liabilities of the South Yorkshire Pension Scheme were subsumed by the Sheffield City Council South Yorkshire Pension Scheme and the group has been discharged of its net pension liability. Contributions to the scheme during the year are charged to the profit and loss account

Goodwill

Goodwill arising on acquisition is released over the period of use of the non-monetary assets to which it relates. Negative goodwill arising on acquisition is released to the statement of financial activities in the periods in which the fair values of non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

Tax

Sheffield City Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from tax in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2013 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Sheffield International Venues Limited is the trading subsidiary of the Trust. The company has a policy of making gift aid payments equivalent to at least its taxable profit subject to sufficient distributable reserves being available. Therefore, it does not expect to incur any tax charges and deferred tax accounting is not considered to be necessary.

Incoming resources from charitable activities

Incoming resources from charitable activities represents the amounts (excluding value added tax) derived from the rental of sites in Sheffield developed as recreational facilities together with other income derived from those sites, including payment by the community for use of the recreational facilities. All income from these activities arises from activities in the United Kingdom.

Interest receivable and payable

Interest receivable or payable is recognised in the statement of financial activities on an accruals basis.

Resources expended and allocation of charitable expenditure

Resources expended are accounted for on an accruals basis and are classified by the trustees as expenditure on raising funds or expenditure on charitable activity, depending on the nature of the expenditure incurred. Where resources expended are apportioned this is done on the basis of the use of the resources.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts, discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements (continued)

2 Results of subsidiary organisations

During the year the charity had five wholly owned subsidiaries which are incorporated in the UK. Sheffield International Venues Limited manages sporting and recreational facilities as agent for Sheffield City Trust in respect of the community income and expenditure, and as principal in respect of ancillary commercial income and expenditure for Sheffield City Trust. 7 Hills Leisure Trust and 7 Hills Commercial Limited have not traded in the year having entered into Members Voluntary Liquidation on 29 March 2023.

Phoenix Sports Limited provides full ownership and operation of the English Institute of Sport - Sheffield. The charity indirectly owns SIV Enterprises Limited, through Sheffield International Venues Limited. SIV Enterprises Limited did not trade during the year having entered into Members Voluntary Liquidation on 29 March 2023.

A summary of the trading activities of Sheffield City Trust's subsidiaries are shown below.

Sheffield International Venues Limited

	2024 £000	2023 £000
Turnover	21,293	18,818
Other operating income	2,144	846
Raw materials and consumables	(2,979)	(2,612)
Staff costs	(5,494)	(5,051)
Depreciation	(2,091)	(1,354)
Other operating charges	(13,440)	(9,869)
	<hr/>	<hr/>
Operating (loss)/profit	(567)	778
Net interest receivable/(payable)	567	(14)
	<hr/>	<hr/>
Profit on ordinary activities before taxation	-	764
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>
Profit retained in the subsidiary	-	764
	<hr/> <hr/>	<hr/> <hr/>

The directors reviewed the funding arrangements for Sheffield International Venues Limited and its budgets for the coming period, up to the date that the venues are transferred to a new operator and believe that due to the significant increase in energy costs, it will not make a positive contribution to the financial affairs of the charity in 9 months to December 2024. The directors will keep this position under close review and take appropriate action to mitigate against future losses.

	2024 £000	2023 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	1,291	2,290
Current assets	18,641	13,511
Creditors: amounts falling due within one year	(19,168)	(14,343)
Creditors: amounts falling due after more than one year	-	(694)
	<hr/>	<hr/>
Net assets	764	764
	<hr/> <hr/>	<hr/> <hr/>
Statement of other comprehensive income		
	2024 £000	2023 £000
Profit for the financial period	-	764
	<hr/>	<hr/>
Total comprehensive income for the financial year	-	764
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

Phoenix Sports Limited

	2024 £000	2023 £000
Income		
Lottery grant released	433	433
Yorkshire Forward grant released	14	14
Lifecycle fund	441	424
Grant income	92	71
Other income	92	92
	1,072	1,034
Expenditure		
Building Maintenance	(363)	(372)
Depreciation	(684)	(658)
	25	4
Operating profit	25	4
Profit on ordinary activities before tax	25	4
Tax on profit on ordinary activities	-	35
	25	39
Profit retained in the subsidiary	25	39

The directors reviewed the funding arrangements for Phoenix Sports Limited and its budgets for the coming period and believe that it will continue to make a small positive contribution to the financial affairs of the charity.

	2024 £000	2023 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	15,797	16,083
Current assets	1,703	2,366
Deferred income: amounts falling due within one year	(611)	(571)
Deferred income: amounts falling due after more than one year	(16,926)	(17,940)
	(37)	(62)
Net liabilities	(37)	(62)

7 Hills Leisure Trust and SIV Enterprises Limited

Both 7 Hills Leisure Trust and SIV Enterprises Limited were dormant in the year, having entered a Members Voluntary Liquidation on 29 March 2023 and are in the process of being struck off. As such they, together with 7 Hills Commercial Limited, have been excluded from the consolidation. 7 Hills Commercial Limited was dissolved on 14 September 2024.

Notes to the financial statements (continued)

3 Resources expended

	Group		Company	
<i>Unrestricted funds</i>	2024	2023	2024	2023
	£000	£000	£000	£000
<i>Expenditure on raising funds</i>				
Ground rent	16	15	-	-
Overheads including staff costs, depreciation and finance lease interest	32,800	20,403	-	-
	<u>32,816</u>	<u>20,418</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities - General</i>				
Ground rent	38	115	38	115
Interest on loans	225	137	225	137
Interest payable on bonds	833	1,885	833	1,885
Overheads including staff costs, depreciation and finance lease interest	10,718	12,744	21,249	14,805
	<u>11,814</u>	<u>14,881</u>	<u>22,345</u>	<u>16,942</u>
Total unrestricted resources expended	<u><u>44,630</u></u>	<u><u>35,299</u></u>	<u><u>22,345</u></u>	<u><u>16,942</u></u>
<i>Restricted funds</i>				
<i>Expenditure on raising funds</i>				
Overheads	1,433	656	-	-
Depreciation	1,463	1,032	-	-
	<u>2,896</u>	<u>1,688</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities</i>				
Overheads	3,507	649	3,507	649
Depreciation	7,023	1,412	7,023	1,412
	<u>10,530</u>	<u>2,061</u>	<u>10,530</u>	<u>2,061</u>
Total restricted resources expended	<u><u>13,426</u></u>	<u><u>3,749</u></u>	<u><u>10,530</u></u>	<u><u>2,061</u></u>

Notes to the financial statements (continued)

4 Unrestricted funds

The breakdown of the unrestricted funds between designated and general funds is as follows:

Group	At 31 March 2022 £000	Income £000	Utilised £000	Transfer between reserves £000	At 31 March 2023 year £000	Income £000	Utilised £000	At 31 March 2024 year £000
Designated funds								
Direct support of other charitable activities in Sheffield	491	100	(214)	-	377	4	(238)	143
Health fund	5	-	(5)	-	-	-	-	-
Other designated reserves	9	-	-	(9)	-	2	(2)	-
General funds								
Retained (deficit)/surplus	(2,517)	39,202	(35,045)	-	1,640	44,064	(44,390)	1,314
	<u>(2,012)</u>	<u>39,302</u>	<u>(35,264)</u>	<u>(9)</u>	<u>2,017</u>	<u>44,070</u>	<u>(44,630)</u>	<u>1,457</u>
Company								
Designated funds								
Direct support of other charitable activities in Sheffield	491	100	(214)	-	377	4	(238)	143
Health fund	5	-	(5)	-	-	-	-	-
Other designated reserves	9	-	-	(9)	-	2	(2)	-
General funds								
Retained (deficit)/surplus	(2,747)	20,177	(16,723)	-	707	21,874	(22,105)	476
	<u>(2,242)</u>	<u>20,277</u>	<u>(16,942)</u>	<u>(9)</u>	<u>1,084</u>	<u>21,880</u>	<u>(22,345)</u>	<u>619</u>

The fund to support the other charitable activities of the charity provides grants to other groups where those groups are considered the most appropriate way of furthering the charity's objects within the specific target communities.

The health fund was established to fund children's education and nutrition programmes.

5 Restricted funds

Group	At 31 March 2022 £000	Incoming Resources £000	Utilised £000	Transfers between reserves £000	At 31 March 2023 £000	Incoming Resources £000	Utilised £000	At 31 March 2024 £000
iceSheffield capital grant	5,760	-	(185)	-	5,575	-	(3,185)	2,390
Sheffield City Hall renovation grant	3,085	-	(92)	-	2,993	-	(1,710)	1,283
EISS grant	18,164	-	(871)	-	17,293	-	(888)	16,405
NCSEM at Concord Sports Centre	239	-	(80)	-	159	-	(91)	68
Essential maintenance grant	3,936	2,124	(2,389)	-	3,671	6,696	(7,377)	2,990
EISS Sport hall grant	1,143	-	(39)	-	1,104	-	(68)	1,036
Other grants	15	120	(93)	9	51	66	(107)	10
	<u>32,342</u>	<u>2,244</u>	<u>(3,749)</u>	<u>9</u>	<u>30,846</u>	<u>6,762</u>	<u>(13,426)</u>	<u>24,182</u>

Notes to the financial statements (continued)

5 Restricted funds (continued)

	At 31 March 2022 £000	Incoming Resources £000	Utilised £000	Transfers between reserves £000	At 31 March 2023 £000	Incoming Resources £000	Utilised £000	At 31 March 2024 £000
<i>Company</i>								
iceSheffield capital grant	5,760	-	(185)	-	5,575	-	(3,185)	2,390
Sheffield City Hall renovation grant	3,085	-	(92)	-	2,993	-	(1,710)	1,283
NCSEM at Concord Sports Centre	239	-	(80)	-	159	-	(91)	68
Essential maintenance grant	2,048	1,798	(1,612)	-	2,234	5,049	(5,418)	1,865
EISS Sport hall grant	42	-	(3)	-	39	-	(23)	16
Other grants	-	120	(89)	9	40	66	(103)	3
	<u>11,174</u>	<u>1,918</u>	<u>(2,061)</u>	<u>9</u>	<u>11,040</u>	<u>5,115</u>	<u>(10,530)</u>	<u>5,625</u>

The restricted funds of £2,390,000 in respect of iceSheffield represent funding received from Sport England to aid the charity in building the national ice centre in the Lower Don Valley. This project was completed in 2003 and the fund is being amortised as the asset is depreciated.

The restricted funds of £1,283,000 in respect of the Sheffield City Hall renovation project represent funding received from the European Single Regeneration Budget to fund the cost of professional fees during the design phase of the project, and from European Objective 1 funding to fund the building phase. The project was completed in 2005 and the fund is being amortised as the asset is depreciated.

The restricted funds of £16,405,000 in respect of EISS represents funds received from Sport England and Yorkshire Forward to aid Phoenix Sports Limited in building the EISS and a further amount received from Sport England to provide a lifecycle fund to meet the maintenance cost of the up-keep of EISS. The project to build the EISS was completed in 2003 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted funds of £68,000 relate to Olympic Legacy funding received from Public Health England on behalf of the Department of Health (DOH). The charity is part of a consortium of organisations in Sheffield that is promoting and researching the positive benefit of physical activity on health. These funds have been used to generate a positive benefit for the NHS by renovating and equipping Concord Sports Centre for use by the public for medical facilities within a building also used for physical activity. The project was completed in 2015 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted fund of £2,990,000 in respect of essential maintenance represents funds received from Sheffield City Council to aid essential maintenance work on the various properties, which are owned by Sheffield City Council and operated by the charity. The funds are being amortised either as the assets are depreciated or the cost of repairs incurred.

The restricted funds of £1,036,000 in respect of the EISS Sports Hall represents funds received from Sheffield City Council to build a sports hall at the English Institute of Sport – Sheffield for the use of a local school. Funds are being amortised as the assets are depreciated.

Included within other grants are two £5,000 Sheffield City Council East LAC fund grants and a £5,000 Sheffield City Council North LAC fund grants for projects that promote children and young people's health and wellbeing.

The useful economic life of all assets mentioned within restricted funds is in line with the duration of the respective leases pertaining to the buildings for which that work was funded. As a result of Sheffield City Council's public procurement process and in line with the lease agreements, all restricted assets, with the exception of those in Phoenix Sports Limited, are expected to transfer to the new operator and as such depreciation has been accelerated in the current year and all restricted assets are to be written down to £nil residual value by 31 December 2024.

By their nature restricted funds can only be used for the purpose they were intended and not to fund general or unrestricted activity.

Notes to the financial statements (continued)

6 Net (outgoing)/incoming resources before taxation are stated after charging

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Auditor's remuneration - Audit of these financial statements	83	99	30	47
Depreciation of owned assets	13,204	4,511	10,225	2,294
Depreciation of assets held under finance leases	195	183	195	183
Hire of assets under operating leases - other assets	126	170	126	170
Amortisation of negative goodwill	(205)	(205)	-	-
Impairment of trade receivables	(6)	27	1	1
Inventory recognised as an expense	2,542	2,028	-	-
	<u>2,542</u>	<u>2,028</u>	<u>-</u>	<u>-</u>

7 Remuneration of trustees

No emoluments were paid to any of the trustees during the year (2023: £nil).

No expenses were reimbursed to any trustees in respect of any expenditure made on behalf of the charity (2023: £nil).

8 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year analysed by category, was as follows:

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Leisure	412	394	412	394
Operations and maintenance	172	159	172	159
Administration	135	131	135	131
Catering	317	281	317	281
	<u>1,036</u>	<u>965</u>	<u>1,036</u>	<u>965</u>

Staff numbers and costs include all contracted and casual staff regardless of hours worked. The number of permanent full time roles increased during the year as did the number of casual employees.

Notes to the financial statements *(continued)*

8 Staff numbers and costs *(continued)*

The aggregate payroll cost of the employees employed by the group during the year was as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Wages and salaries	13,583	12,200	13,583	12,200
Social security costs	926	846	926	846
Other pension costs	706	643	706	643
Redundancy costs	1,483	27	1,483	27
	<u>16,698</u>	<u>13,716</u>	<u>16,698</u>	<u>13,716</u>

Where required, companies within the group procure HR services from Sheffield City Trust as required to support the operations of the venues and a management fee is charged for these services. The staff numbers and costs of all contracted staff employed by Sheffield City Trust irrespective of which group company they provide services to are included in the company numbers above.

The number of employees in the group whose emoluments amounted to over £60,000 in the year was as follows:

	2024	2023
£60,001 - £70,000	1	-
£70,001 - £80,000	3	3
£80,001 - £90,000	2	2
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>7</u>	<u>6</u>

The group made contributions of £61,000 (2023: £56,000) to defined benefit schemes in respect of these employees.

Notes to the financial statements (continued)

9 Tax

Analysis of charge in year

	2024	Group
	£000	2023
		£000
Current tax		
Adjustments in respect of prior periods	-	(35)
	<hr/>	<hr/>
Total current tax credit for the year	-	(35)
Deferred tax		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
Total tax credit for the year	-	(35)
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax charge for the current year

The current tax charge for the period is higher (2023: lower) than the standard rate of corporation tax in the United Kingdom, which, for the period ended 31 March 2024, was 19% (2023: 19%). The differences are explained below:

	2024	2023
	£000	£000
Net incoming resources before tax	(7,224)	2,498
	<hr/>	<hr/>
Current tax at 19% (2023: 19%)	(1,373)	475
Non deductible and non taxable items	1,127	(455)
Adjustments relating to prior periods	-	(35)
Losses utilised	(130)	(247)
Depreciation in excess of capital allowances	376	227
	<hr/>	<hr/>
Total tax credit for the year	-	(35)
	<hr/> <hr/>	<hr/> <hr/>

Sheffield International Venues Limited has a tax strategy of making a gift aid payment to its charitable parent, Sheffield City Trust of any taxable profits and the level of historical tax losses, and as such recognition of deferred tax movements is not required.

Notes to the financial statements (continued)

10 Negative goodwill

	£000
<i>Cost</i>	
At beginning and end of year	(8,741)
<i>Impairment losses/amortisation</i>	
At beginning of year	2,373
Charge for year	205
At end of year	2,578
<i>Carrying amount</i>	
At end of year	(6,163)
At beginning of year	(6,368)

As part of the transaction to take full ownership and direct operation of the EISS, the trust acquired Phoenix Sports Limited for £1 on 31 March 2011. Phoenix Sports Limited is a non-profit-distributing asset locked company.

Phoenix Sports Limited is the company which owns the 150 year lease relating to EISS.

At the date of the acquisition the net assets acquired had a book value of £nil, being the net book value of the English Institute of Sport – Sheffield building of £20m less the amounts provided by the English Sports Council to fund the construction of the building, £20m, shown as deferred income. In accordance with UK GAAP requirements regarding acquisition accounting, the fair value of the EISS building was determined at the date of acquisition as £29m. As this amount exceeded the deemed consideration paid, £20m, negative goodwill of £9m was recognised.

This goodwill is being amortised over 50 years in line with the useful economic life of the English Institute of Sport – Sheffield building and the historic grant funding which financed its construction.

**11 Intangible assets - software
Group**

	Total £000
<i>Cost</i>	
At beginning of year	47
At end of year	47
<i>Amortisation</i>	
At beginning of year	30
Charge for year	10
At end of year	40
<i>Closing net book amount</i>	
At end of year	7
At beginning of year	17

Notes to the financial statements (continued)

11 Intangible assets – software (continued)
Company

	Total £000
<i>Cost</i>	
At beginning of year	45
At end of year	45
<i>Amortisation</i>	
At beginning of year	28
Charge for year	10
At end of year	38
<i>Closing net book amount</i>	
At end of year	7
At beginning of year	17

12 Tangible fixed assets

Group	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
<i>Cost</i>				
At beginning of year	173,740	28,734	675	203,149
Additions	-	153	3,080	3,233
Disposals	-	(364)	-	(364)
Transfers	-	3,405	(3,405)	-
At end of year	173,740	31,928	350	206,018
<i>Depreciation</i>				
At beginning of year	32,436	21,376	-	53,812
Charge for year	7,588	5,811	-	13,399
Disposals	-	(362)	-	(362)
At end of year	40,024	26,825	-	66,849
<i>Net book value</i>				
At end of year	133,716	5,103	350	139,169
At beginning of year	141,304	7,358	675	149,337

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2023: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

Additional depreciation of £7,247,000 has been charged in the year as a result of accelerating the depreciation (see note 1 accounting policies – fixed assets and depreciation).

Notes to the financial statements (continued)

12 Tangible fixed assets (continued)

Company	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets Under Construction £000	Total £000
<i>Cost</i>				
At beginning of year	141,439	11,751	677	153,867
Additions	-	129	3,080	3,209
Disposals	-	(318)	-	(318)
Transfers	-	1,939	(1,939)	-
Group Transfers	-	-	(1,466)	(1,466)
At end of year	<u>141,439</u>	<u>13,501</u>	<u>352</u>	<u>155,292</u>
<i>Depreciation</i>				
At beginning of year	21,435	7,835	-	29,270
Charge for year	6,897	3,523	-	10,420
Disposals	-	(316)	-	(316)
At end of year	<u>28,332</u>	<u>11,042</u>	<u>-</u>	<u>39,374</u>
<i>Net book value</i>				
At end of year	<u>113,107</u>	<u>2,459</u>	<u>352</u>	<u>115,918</u>
At beginning of year	<u>120,004</u>	<u>3,916</u>	<u>677</u>	<u>124,597</u>

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2023: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

Additional depreciation of £6,970,000 has been charged in the year as a result of accelerating the depreciation (see note 1 accounting policies – fixed assets and depreciation).

The following are included in the total net book value of tangible fixed assets in respect of assets held under finance leases.

	Group	Company
	Fixtures, fittings and equipment £000	Fixtures, fittings and equipment £000
2024		
Net book value	<u>120</u>	<u>120</u>
Depreciation	<u>195</u>	<u>195</u>
2023		
Net book value	<u>355</u>	<u>355</u>
Depreciation	<u>183</u>	<u>183</u>

Notes to the financial statements *(continued)*

13 Investments - Company

**Investment in
subsidiary
£000**

Net book value at beginning and end of year

-

On 31 March 2015 the charity forgave, by way of a capital contribution, monies owed by its subsidiary Sheffield International Venues Limited. This capital contribution gave rise to the capitalisation of the historic inter-company debtor of £7,578,000. The investment is reviewed for impairment annually, by considering the net present value of future cash flows of Sheffield International Venues Limited over a period to March 2024. The investment was fully impaired in 2019. This is reassessed annually, and the previous impairment is still deemed appropriate.

On 1 April 2019, all staff of Sheffield International Venues Limited were transferred under the provisions of TUPE to Sheffield City Trust. At the same time, the assets and liabilities of the South Yorkshire Pension Authority scheme were also transferred and as a result of this, Sheffield City Trust took on the historic pension liability by way of a capital contribution. The investment was fully impaired in 2020. This is reassessed annually, and the previous impairment is still deemed appropriate.

The charity holds investments of £100 relating to shares held in subsidiaries.

The entities in which the charity holds beneficial interests are as follows:

	Company number	Principal activity	Country of registration	Percentage of ordinary shares held
<i>Subsidiary undertakings</i>				
Sheffield International Venues Limited	02226575	Management of sporting and entertainment facilities and provision of catering and conferencing services	England and Wales	100
7 Hills Leisure Trust	07923816	Management of sporting and recreational facilities	England and Wales	-*
7 Hills Commercial Limited	03330129	Provision of catering services	England and Wales	100**
Phoenix Sports Limited	03487652	Operation and strategic direction of English Institute of Sport- Sheffield (EISS)	England and Wales	-*
SIV Enterprises Limited	06385377	Management of sporting and recreational facilities, a catering facility and the provision of consultancy services	England and Wales	100***

Notes to the financial statements (continued)

13 Investments - Company (continued)

In the opinion of the directors the investments in and amounts due from the charity's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

*In respect of Phoenix Sports Limited and 7 Hills Leisure Trust, whilst their corporate structures are limited by guarantee they are treated as investments by the group on the basis of control.

**7 Hills Commercial is held indirectly by 7 Hills Leisure Trust

***SIV Enterprises is held indirectly by Sheffield International Venues Limited

On 29 March 2023, 7 Hills Leisure Trust, 7 Hills Commercial Limited and SIV Enterprises Limited entered into Members Voluntary Liquidations. The registered office for these entities is 4th Floor Fountain Precinct, Leopold Street, Sheffield, S1 2JA.

The registered office for Sheffield International Venues Limited and Phoenix Sports Limited is English Institute of Sport – Sheffield, Coleridge Road, Sheffield S9 5DA.

14 Stocks

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Goods for resale	257	233	-	-
	<u>257</u>	<u>233</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	837	883	329	566
Other debtors	1,490	957	84	3
Prepayments and accrued income	33,584	33,326	33,373	33,155
Amounts owed by group undertakings	-	-	3,842	2,730
Sheffield City Council	2,130	-	2,130	-
	<u>38,041</u>	<u>35,166</u>	<u>39,758</u>	<u>36,454</u>

Prepayments and accrued income includes £32,490,000 (2023: £32,490,000) of grant income due from Sheffield City Council following the disposal of Don Valley Stadium and the restructuring of the finance leasing arrangements. This debtor is expected to be received at the date at which the charity transfers its venues to Sheffield City Council, expected to be on or around 2 January 2025.

The carrying value of trade receivables is considered a reasonable approximation of fair value.

Notes to the financial statements *(continued)*

16 Cash at bank and in hand

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Cash at bank and in hand	7,549	6,013	2,904	3,000
Third party ticket monies	11,610	9,036	-	-
	<u>19,159</u>	<u>15,049</u>	<u>2,904</u>	<u>3,000</u>

Third party ticket monies represent amounts held on behalf of third party event promoters for tickets sold, that will be paid to the promotor when the event has taken place.

17 Creditors: amounts falling due within one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Bank loans (see note 18)	59	200	59	200
Obligations under finance leases (see note 18)	51	199	51	199
Bonds	-	17,604	-	17,604
Trade creditors	1,739	1,809	1,731	1,791
Other creditors including taxation and social security	13,971	11,293	995	1,251
Accruals and deferred income	3,462	2,911	2,469	2,199
Amounts owed to group undertakings	-	-	1,489	2,145
Other loans	3,513	-	3,513	-
Sheffield City Council	140,425	-	140,425	-
	<u>163,220</u>	<u>34,016</u>	<u>150,732</u>	<u>25,389</u>

Included within other creditors are amounts due to third party event promoters of £12,011,000 (2023: £9,094,000).

Included in the group accruals and deferred income is deferred income of £1,395,000 (2023: £1,182,000) which relates to memberships and events.

Amounts owed to group undertakings are interest free and repayable on demand.

The carrying amount of trade and other payables approximates to their fair value.

The finance lease liability is secured against the assets for which the finance is provided.

18 Creditors: amounts falling due after more than one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Bank loans	-	59	-	59
Other loans	-	3,513	-	3,513
Obligations under finance leases	-	51	-	51
Bonds	-	-	-	-
Sheffield City Council	-	122,817	-	122,817
	<u>-</u>	<u>126,440</u>	<u>-</u>	<u>126,440</u>

The group has two bank loans to fund the purchase of fixed assets at a rate of 4.5% and 3.87% with an outstanding balance of £56,000 and £3,000 respectively, at the year end.

During 2014 the charity took a five year loan of £3,500,000 from Sheffield City Council for the refurbishment of the Utilita Arena Sheffield at an interest rate, per annum, of 2.0% above the Bank of England's base rate and during 2015 the charity took a five year loan of £1,750,000 from Sheffield City Council for the refurbishment of Ponds Forge International Sports Centre at an interest rate, per annum, of 2.0% above the Bank of England's base rate.

Notes to the financial statements (continued)

18 Creditors: amounts falling due after more than one year (continued)

These loans were consolidated into a combined loan of £1,575,000 in January 2019 over five years at a rate of 2% above the Bank of England's base rate, with a balance at 31 March 2024 of £1,313,000. No capital repayments are now required on this loan from Sheffield City Council until December 2024.

In 2020, the charity received a five-year loan of £1,000,000 from Sheffield City Council to assist with cashflow at an interest rate of 2%, above the Bank of England's base rate and during 2021 the charity received a further 4 year loan of £1,200,000 from Sheffield City Council to assist with cashflow at an interest rate of 2% above the Bank of England's base rate. No capital repayments are now required on these loans from Sheffield City Council until December 2024.

Under the terms of the Shortfall Funding Agreement between the charity and Sheffield City Council, the council made payments bi-annually sufficient in value to enable the charity to meet its bond repayment obligations. These receipts are repayable to Sheffield City Council following exercise of the termination clause in the Shortfall Funding Agreement, and on this basis termination and repayment are to have effect at the end of December 2024. During the financial year the bond liability was settled in full. In 2023, the fair value was considered to be £17,608,000 which reflected the unit value of the bond multiplied by the last market traded value.

The maturity of the bank and other loans is due as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Within one year	3,572	200	3,572	200
In the second to fifth years	-	3,572	-	3,572
	<u>3,572</u>	<u>3,772</u>	<u>3,572</u>	<u>3,772</u>

On 1 March 2000 the company issued £140,425,000 of bonds at an issue premium of 0.719%.

The bonds attracted interest payments of 6.25% paid bi-annually. The bonds were repayable at dates between 2014 and 2024. They were guaranteed by Sheffield City Council.

The bonds were stated net of unamortised issue costs of £873,000 and gross of the unamortised issue premium of £795,000. The bonds have now been settled in full.

The maturities of the bonds are as follows:	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Within one year	-	17,604	-	17,604
	<u>-</u>	<u>17,604</u>	<u>-</u>	<u>17,604</u>

The maturities of obligations under the leases are as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Within one year	51	199	51	199
In the second to fifth years	-	51	-	51
	<u>51</u>	<u>250</u>	<u>51</u>	<u>250</u>

Notes to the financial statements (continued)

19 Provisions for liabilities

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Dilapidation provision	150	115	150	115
Redundancy Provision	1,461	-	1,461	-
	<u>1,611</u>	<u>115</u>	<u>1,611</u>	<u>115</u>

Dilapidation provision

Provisions of £100,000 and £50,000 have been included for the cost of repair work required to two of the group's leased properties, in accordance with the terms of the leases, that are due to come to an end on 16 December 2024 and 31 December 2024 respectively.

Redundancy provision

A provision of £1,461,000 has been included for the cost of redundancies which will be made following the transfer of venues to new operators in January 2025.

Deferred tax

	Accelerated tax depreciation £000	Other timing differences £000	2024 Total £000	2023 Total £000
At 1 April 2022	137	(1,161)	(1,024)	(451)
Movement in year	(105)	822	717	(573)
	<u>32</u>	<u>(339)</u>	<u>(307)</u>	<u>(1,024)</u>
At 31 March 2023 & 1 April 2023	32	(339)	(307)	(1,024)
Movement in year	(91)	166	75	717
	<u>(59)</u>	<u>(173)</u>	<u>(232)</u>	<u>(307)</u>
	<u>(59)</u>	<u>(173)</u>	<u>(232)</u>	<u>(307)</u>
Recognised	-	-	-	-
Unrecognised	(59)	(173)	(232)	(307)
	<u>(59)</u>	<u>(173)</u>	<u>(232)</u>	<u>(307)</u>

The deferred tax asset has not been recognised on the grounds that there is insufficient evidence that the asset will be recovered.

Notes to the financial statements (continued)

20 Analysis of group net assets between funds

	2024			2023		
	Unrestricted (designated and general) £000	Restricted £000	Total £000	Unrestricted (designated and general) £000	Restricted £000	Total £000
Tangible fixed assets	114,987	24,182	139,169	118,491	30,846	149,337
Intangible Assets	7	-	7	17	-	17
Net current (liabilities)/assets	(105,763)	-	(105,763)	16,432	-	16,432
Liabilities falling due after more than one year	-	-	-	(126,440)	-	(126,440)
Provision for liabilities and charges	(1,611)	-	(1,611)	(115)	-	(115)
Negative goodwill	(6,163)	-	(6,163)	(6,368)	-	(6,368)
Net assets as at 31 March 2024	1,457	24,182	25,639	2,017	30,846	32,863

21 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Operating leases which expire:				
Within one year	38	119	38	119
In the second to fifth years inclusive	-	272	-	272
More than five years	-	428	-	428
	38	819	38	819

At 31 March 2024, the group had commitments to purchase fixed assets amounting to £39,000. This expenditure will be funded by either the essential maintenance grant from Sheffield City Council or the EISS lifecycle fund held by Phoenix Sports Limited.

22 Pension scheme

Defined contribution pension scheme – Group and Company

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £382,000 (2023: £360,000).

Contributions amounting to £45,000 (2023: £39,000) were payable to the scheme and are included in creditors.

Defined contribution pension scheme – Group and Company

The group contributed to a defined benefit pension scheme operated by South Yorkshire Pension Authority. On 31 March 2022, the historic assets and liabilities of the groups South Yorkshire Pension Scheme were subsumed into the Sheffield City Council South Yorkshire Pension scheme. The group was discharged of its net liability on this date. The Trust has no liability to the plan for other entities' obligations. Contributions to the defined benefit pension scheme are included in the profit and loss account.

The group expects to contribute at a rate of 17.5% in respect of active members of the defined benefit plan in the next financial year, the assets and liabilities of which have been subsumed within the Sheffield City Council South Yorkshire pension Authority Scheme.

The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £316,000 (2023: £284,000).

Contributions amounting to £44,000 (2023: £42,000) were payable to the scheme and are included in creditors.

Notes to the financial statements *(continued)*

23 Directors and key management

Remuneration amounting to £522,000 (2023: £489,000) was paid to directors and other key management during the year. In addition, the charity made contributions of £61,000 (2023: £56,000) to defined benefit schemes in respect of the directors and other key management.

24 Accounting estimates and judgements

In preparing these financial statements, the trustees have had to make the following judgements:

Determine whether there are indicators of impairment of the charity's non-current assets. The investments were fully impaired in the previous years and there is no indication in the current financial year that would result in a reversal of this impairment.

Other key sources of estimation uncertainty are:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

25 Post balance sheet events

After the year end, the charity gave notice in respect of its operation and management of Sinfin Golf Course and Tapton Golf Course and the operation and management of these venues was transferred to a new operator on the 31 July 2024 and 16 December 2024 respectively.

On 14 September 2024, 7 Hills Commercial Limited was dissolved.

After the year end, following Sheffield City Council's tender proceeds, the Council announced new operators for the entertainment and sport and leisure venues. For further detail refer to note 1.

SHEFFIELD CITY TRUST

England & Wales - Charity number 700520

Accounts

Sheffield City Trust

Annual report and consolidated
financial statements

Registered number 2164600

Charity Registration Number 700520

Year ended 31 March 2023

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Trustees' and directors' report (including strategic report)

The trustees, who act as directors for the purpose of company law, are pleased to present their report and financial statements for the year ended 31 March 2023.

Purpose of the charity

The objects of the charity are as detailed in the charity's governing document, its Memorandum of Association.

- 1 An object of the charity is to promote the benefit of the inhabitants of South Yorkshire and surrounding counties by the provision of facilities for recreation and leisure time occupation in the interest of social welfare. The charity has continued in its policies of providing recreational and other leisure facilities of a high standard and as economically as possible. The charity seeks to encourage high levels of use by the community with policies that encourage wide public access. There has been no material change in these policies over the relevant period.
- 2 A further object of the charity is to promote and preserve good physical and mental health. The objective is pursued by encouraging high levels of use of recreational and leisure facilities by the community. In addition, the charity has a policy of carrying out ad hoc initiatives and giving financial support to appropriate projects which has been continued during the year.
- 3 Further objects of the charity include the encouragement of the arts and the acquisition, preservation, restoration and maintenance of buildings of historic and architectural interest in Sheffield.

Activities

In furtherance of the charity's object to provide facilities for recreation and other leisure time occupations Sheffield City Trust operated the following facilities directly in the year:

- Beauchief Golf Course
- Birley Golf Course
- Concord Sports Centre
- Heeley Swimming Pool and Gym
- Hillsborough Leisure Centre
- iceSheffield
- Ponds Forge International Sports Centre
- Sinfin Golf Course
- Springs Leisure Centre
- Tapton Park Golf Course
- Tinsley Park Golf Course
- Westfield Sports Centre

The charity has continued to operate the following facilities through Sheffield International Venues Limited:

- English Institute of Sport – Sheffield
- Utilita Arena Sheffield
- Sheffield City Hall

Sheffield International Venues Limited also acts as principal for all commercial activity within the above venues.

Any profits made by Sheffield International Venues Limited, where the company has sufficient distributable reserves, may be passed back to the charity by way of a gift aided payment.

The operation of leisure facilities continues to be the primary way in which the two main objects of the charity are achieved. The trustees ensure that participation continues to grow and benchmark attendance against national standards. Prices are set at a level that encourages use by as many people as possible and many facilities are full at peak times.

Trustees' and directors' report (including strategic report) (continued)

Activities (continued)

Beginning in March 2021, England began lifting restrictions associated with the Covid-19 lockdown (roadmap), with a phased removal of all legal limits on social contact. As a trust, we aligned our activities to this roadmap. We have seen customers return consistently since reopening, but there remains caution in many activities for example gym use, group exercise and events. However, aquatics and ice activities have seen a really positive take up by individuals and families, and our learn to swim/skate programmes have also been very popular. A significant loss has been gala dinners as companies have not returned to large employee celebrations as a way of rewarding performance or building team spirit. Fundraising events also seem to be much less popular compared with pre-2020 levels. Shortages in supplies and the challenges we face with recruitment and more recently the impact of Inflation (Cost of Living) have required a responsive, adaptive and flexible approach over the past 12 months.

In the last two financial years we have included concessionary rates on all activities to try to alleviate the financial burden to an identified audience that typically would welcome this discount. The 40% discount is applied to all activities and has seen a very good uptake, specifically from families of children on free school meals. On coached admissions we have over 2,400 children benefiting from this each week.

The English Institute of Sport – Sheffield continues to be the home for GB Boxing, GB Para Badminton, GB Para Table Tennis and GB Goalball along with Sheffield Hallam University's Sport and Physical Activity academic learning. At Ponds Forge International Sports Centre, the professional basketball team, the Sheffield Sharks extended their training and Basketball League fixtures whilst they wait for their home court to be finalised. Ponds Forge was also able to host the British Swimming Championships. The Utilita Arena Sheffield is the home of the Elite Ice Hockey League team, the Sheffield Steelers.

The charity continues to partner with the National Centre for Sport and Exercise Medicine in Sheffield ('NCSEM') where clinical facilities are co-located with facilities for sport and exercise. At Concord Sports Centre NHS patients are treated in an environment which promotes physical activity as medicine. The centre also promotes physical activity as a prime preventer of ill health with exit routes for patients into our Exercise Referral scheme and other activities.

Essential maintenance work has been undertaken on various facilities in partnership with Sheffield City Council. In February 2023 a 5-month long programme of work on the swimming pool hall began at Hillsborough Leisure Centre, which would see repairs to the plant room, roof and changing village.

We have had a strong year for our event programme, with both regional, national and international events being hosted across the group. IceSheffield hosted the ISU Junior Grand Prix in November 2022, which brought significant profile and recognition to the city and its capabilities to host a large international event.

Golf has continued in its popularity, as it allows exercise while outside and socialising with friends. This has had a positive effect on the use of all five of the charity's courses.

During the first full year of operation following the Covid-19 pandemic, the Sheffield City Hall and the Utilita Arena Sheffield hosted 520 events and welcomed 947,000 guests through the doors.

The venues delivered a wide and varied arts and entertainment programme hosting some of the most popular acts in music, comedy and theatre. Opera and ballet also appeared in the programme as well as the Sheffield International Classical Concert Season featuring both international and domestic orchestras. Community events have always been a major part of the charity's events diary, and these included the return of the popular community tea dances, local dance school performances and the local amateur dramatic society, Manor Operatic Society, who performed a week long musical (Made in Dagenham) and their traditional two week pantomime at Christmas.

Elite League Ice Hockey continued to play a major part of the events programme with the ongoing partnership with the Sheffield Steelers. This season, together with the Steelers, the Utilita Arena Sheffield hosted 36 games and welcomed 240,000 fans, predominantly from the local Sheffield area. This attendance is the Steelers highest in the Elite League era and 2nd all-time attendance behind only the 1994/95 season. The International Ice Hockey Federation (IIHF) have recently reported that, now all Covid-19 restrictions are removed across all European venues, the venue was the 24th most attended ice hockey stadium in Europe moving from a pre pandemic position of 28th. The venue was the No1 attended Ice Hockey Stadium in the UK.

Our community development activities continue to support the local area away from the facilities. Work with school and education establishments sees engagement and support to over 100 local schools, through coaching, provision of equipment, tickets and subsidised venue hire.

Trustees' and directors' report (including strategic report) (continued)

Activities (continued)

A Summer Sports Van programme saw large levels of engagement with a continuation in certain locations as we work closely with Community Officers and Councillors. This sees activity and engagement, as well as food distribution as we look to engage through different needs for local families.

Our involvement in the Healthy Activities and Food (HAF) programme has again been extensive, with over 10,000 children accessing a range of our facilities as we provide activities and food for children on free school meals during holiday weeks. This delivery has seen children learning to swim and learning to skate, as well as partnering with various community organisations to ensure an offer is available to all local families that surround our leisure facilities.

The charity does not set targets for grant giving as it is a comparatively small part of the work undertaken. As stated above, the provision and management of the facilities is the primary method of meeting the objects of the charity. The trustees monitor the level of funds in the designated fund (see note 4 of the financial statements) in order to ensure that they make best use of the limited income available and do make grants to community groups in Sheffield in order to support their work promoting sports and physical activity within their communities.

In measuring achievements against the above objectives, the charity uses financial measures, a review of which is given below. In addition to financial performance measures, the charity monitors the performance of its venues using non-financial key performance indicators that give information regarding attendance at each venue by activity, and split attendances by age and gender. These performance indicators are monitored against targets and previous years' results.

Financial Review

The funding agreements for the venues between the charity and Sheffield City Council and Derby City Council mean the charity is entitled to receive income from these councils to fund its operating activities which in the year amounted to £7,708,000 (2022: £7,589,000). The funding is split £7,688,000 from Sheffield City Council (2022: £7,569,000) and £20,000 from Derby City Council (2022: £20,000).

When considering the financial performance of the charity the trustees examine the results of each facility that the charity operates. In 2022/23 financial performance and attendance levels from community usage continued to grow and return more towards the pre Covid-19 levels as confidence returned and all restrictions lifted, however the impact of continuing difficult economic circumstances on the majority of users continued to be felt. The group had positive unrestricted general reserves at 31 March 2023 of £1,640,000 (2022: negative £2,517,000). The Trustees are confident that over future periods, the charity will continue to see positive unrestricted general reserves as was anticipated when the charity was established.

Total incoming resources amounted to £41,546,000 (2022: £33,077,000) and total resources expended amounted to £39,048,000 (2022: £18,998,000) resulting in net incoming resources before tax of £2,498,000 (2022: £14,079,000). Prior year net incoming resources includes a credit of £12,957,000 in respect of settlement of the South Yorkshire Pension Scheme, following the transfer of the scheme's assets and liabilities to Sheffield City Council on 31 March 2022.

The results of the charity's trading subsidiary, Sheffield International Venues Limited, its subsidiary SIV Enterprises Limited, the subsidiary charity, 7 Hills Leisure Trust and also Phoenix Sports Limited are set out in note 2 to the financial statements.

The principal activities of Sheffield International Venues Limited in the year under review were the management of the facilities to deliver commercial income. These activities are in support of the charity's activities such as providing public catering in the buildings and supporting elite athletes to use the spaces when not in use by the general public. Sheffield International Venues also manages unrelated commercial activity that raises the profile of the charity and its facilities and generates income which is used to support the core charitable activities.

7 Hills Leisure Trust has not traded in the year and the objects of the charity in the year were to allow the orderly wind up of the charity. On 29 March 2023, the charity, together with its dormant subsidiary, 7 Hills Commercial Limited, and SIV Enterprises Limited entered Members Voluntary Liquidations (MVL).

The activities of Sheffield City Trust in the year under review includes the operation of leisure facilities and golf courses.

Trustees' and directors' report (including strategic report) (continued)

Business review

The trustees consider the general trend in financial performance of the venues to be satisfactory considering the general economic climate. All venue activities continued to grow and by the end of the year had more or less returned to their pre pandemic levels.

Sheffield City Council has confirmed its support for the charity and discussions with the council continue in a robust, constructive atmosphere. Sheffield City Trust entered into a legally binding agreement with Sheffield City Council on 31 March 2022, which was updated by a Deed of Extension on 10 July 2023 to ensure it has sufficient funds to continue to at least 31 December 2024. The support provided gives the certainty necessary for the trustees to develop a plan to continue to deliver services at its current levels for the foreseeable future. The trustees believe investment can be made in the facilities in a financially sustainable way in partnership with Sheffield City Council and are working with Sheffield City Council on the short to medium term strategy.

As disclosed in note 1, the financial viability of the charity is dependent on both continued support from the council (working capital and venue investment) and to achieving the trading assumptions in the business plan and budgets to 31 December 2024. We believe that the forecasts, including revenue growth and cost assumptions, included in the plan are achievable, subject to the required investment from Sheffield City Council. The management team continues to meet on a monthly basis to review performance against the budget and, where there are shortfalls, looks at actions to address these, including the reduction of costs where necessary. Performance year to date is ahead of budget.

Based on the above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. However, they note a material uncertainty in respect of the position beyond December 2024 (refer to note 1). The trustees have considered the impact on the financial statements should the trust not be considered a going concern and would not anticipate any changes to those presented.

Our pricing policy

Prices are set to enable as many people as possible to use the facilities while ensuring that income generated is sufficient to cover the costs of the charity. General economic trends are currently showing significant cost rises across much of our key expenditure items therefore, as far as possible, a higher level of income must be generated by use of the facilities from both core charitable activities and commercial activities, managed by another company within the group. However, it is essential that prices are affordable and in no way create a barrier to use of the facilities by any of the people of Sheffield and concessionary prices are used to ensure that the least wealthy are able to attend.

The trustees review pricing for all charitable activities on an annual basis in order to deliver the best possible facilities to all citizens of Sheffield at affordable prices.

Investment powers and policy

The trustees balance the needs of the organisation to have funds available for the operations of the charity and the need to maximise investment returns. Recently, interest rates have been rising and the charity has responded by moving its funds into accounts which generate a better return thus generating additional income.

No funds are invested in non-cash assets such as property or shares. All property owned by the charity is in order to deliver services directly to the beneficiaries. The trustees believe that the level of cash and bank assets owned is insufficient for the charity to consider investment in stock, shares or bonds, particularly in the current volatile climate for investments.

Pension Scheme

The charitable group contributes to a defined benefit pension scheme provided by South Yorkshire Pension Authority ("SYPA"). As disclosed in previous years a number of members transferred into the SYPA scheme under the provision of TUPE. The scheme closed to new members on 1 September 2009.

On 31 March 2022, the group entered into an agreement with Sheffield City Council in which the historic pension assets and liabilities transferred to Sheffield City Council, thus removing the deficit from the balance sheet of Sheffield City Trust. Sheffield City Trust continues to pay contributions into the scheme for all eligible employees and the future benefits of those employees were unaffected by the change.

All new employees since 1 September 2009 who didn't join under the provisions of TUPE have been eligible to join a defined contribution, group money purchase scheme. Since 1 January 2014 the group has provided pensions under the auto-enrolment provisions and all new employees are automatically enrolled into the group money purchase scheme unless they decide to opt out.

Trustees' and directors' report (including strategic report) *(continued)*

Reserves policy

The reserves of the charity are split between restricted and unrestricted funds. It is the policy of the trustees to spend unrestricted reserves in pursuit of the charitable objectives in a way that maximises their value in meeting those objectives. At the end of the financial year, the charity had consolidated unrestricted funds of £2,017,000 (2022: *negative* £2,012,000) and restricted funds of £30,846,000 (2022: £32,342,000).

The restricted funds of the charity at 31 March 2023 are set out in note 5 of the financial statements.

The level of free reserves at the end of the financial year was *negative* £2,569,000 (2022: *negative* £7,687,000). Historically, the trustees believed it was appropriate to hold reserves in order to meet the future depreciation of capital assets (other than restricted assets) and to provide some "buffer" should future operations fall short of financial budgets and that an appropriate level of reserves would be sufficient to support operations for six months.

However, as a result of the Covid-19 pandemic, which impacted on the charity's ability to address the reserves position, as well as the current rises being seen in the general cost of living, impacting on how individuals choose to spend their disposable income the trustees have reviewed the charity's reserves policy. The trustees signed a Funding Agreement with Sheffield City Council on 31 March 2022, which was updated by a Deed of Extension on 10 July 2023, to ensure it has sufficient funds to continue to at least 31 December 2024, which provides for the City Council to meet existing and future liabilities to the extent that they aren't financed by future operations and, taking this and the future challenges described above into consideration, the trustees now consider it more appropriate to target a neutral reserves position. To achieve this the charity will continue to drive an increase in footfall across all venues and maximise attendances, whilst continuing to grow the programme of events across both the entertainment and sporting venues. For further information refer to 'plans for future periods'.

The legally binding funding agreement with Sheffield City Council confirming support for the group to 31 December 2024, together with the positive cash balances held by the charity, provide the trustees with the necessary comfort to continue trading. The Trustees believe that, in light of the provisions of the Funding Agreement, the level of reserves is satisfactory at present.

Plans for future periods

The trustees considered the future of the charity and how it might achieve its reserves target and deliver its charitable objects in the long term. It was determined that the beneficiaries would be best served if all the charitable activities within the group were delivered by one rather than two charities and hence all charitable operations are now managed by Sheffield City Trust and so on 29 March 2023 7 Hills Leisure Trust entered into a Members Voluntary Liquidation. In doing this the Trustees believe that the streamlined group structure will drive further efficiencies and ultimately improve the resources available to deliver the charitable objects of both charities.

Activity levels have grown during the year, returning towards pre pandemic levels. It is expected that activity levels will continue to grow as consumer confidence grows and there is already a significant calendar of events booked in at both entertainment and leisure venues, although it is anticipated that the current difficult economic conditions affecting the majority of users may have a negative impact.

As stated above, the trustees are working with Sheffield City Council on longer term funding certainty and have agreed with Sheffield City Council that the charity will continue to operate the facilities directly, and via its group companies, until at least 31 December 2024 and jointly look to invest in them as funding permits. This agreement gives a degree of certainty and enables medium term planning and programme development.

The discussions with the council have included the strategy of the charity to continue to encourage the director of Sheffield International Venues to pursue such commercial activities as can be performed in and around Sheffield as will bring in additional income without reducing the ability of the charity to provide services to its beneficiaries.

The performance of the group in the first quarter of 2023/24 was satisfactory, when taking into account the challenging general economic climate. It is the intention of the trustees to continue to invest in facilities as much as possible and to maximise attendances, as much as possible during these challenging economic times.

Trustees' and directors' report (including strategic report) (continued)

Reference and administrative details

Charity Registration Number: 700520
Company Registration Number: 2164600

Registered Office

English Institute of Sport - Sheffield
Coleridge Road
Sheffield
S9 5DA

Secretary

LM Gavin

Advisers

Solicitor

Hemingways Solicitors Limited
11 Westbourne Road
Sheffield
S10 2QQ

Auditor

Crowe U.K. LLP
The Lexicon
Mount Street
Manchester
M2 5NT

Banker

Barclays Bank Plc
10-12 Pinstone Street
Sheffield
S1 2HN

Directors and directors' interests

The trustees, who also act as directors, who held office during the year and after the year end are as follows:

P Abel
H Best
L Clarke
D Grey MBE
G Moore
A Pettifer MBE
R Plews
P Taylor
J Warner

The charity has a Group Audit Committee and Mr J Warner is chairman of that Group Audit Committee. The Group Audit Committee members are Mr J Warner and Mr R Plews.

None of the trustees who held office at the end of the financial year had any disclosable interest in debentures of the charity or in any shares or debentures of any other group company.

According to the Register of Trustees' Interests, no rights to subscribe for debentures of the charity or in any shares or debentures of any other group company were granted to any of the trustees or their immediate families or exercised by them during the year.

Employees

The group has a policy of offering job opportunities to persons with disabilities where possible.

The group has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues.

The senior employee of the group is:

Chief Executive Andrew Snelling

Insurance for trustees and officers

Insurance for trustees and officers against liabilities in relation to the group, as permitted by the Companies Act 2006, is maintained under a policy held by Sheffield City Trust. The cost of this amounted to £15,000 (2022: £14,000).

Trustees' and directors' report (including strategic report) (continued)

Structure, governance and management

Sheffield City Trust is a company limited by guarantee and a registered charity and is governed by its Memorandum & Articles of Association. The trustees are the members of the charity under company law. The charity is domiciled and its principle place of business is in the UK.

The trustees recognise the importance of communication with beneficiaries and will issue regular newsletters and updates on specific projects and overall performance. These reports may also include some summary financial information from the financial statements of the charity.

Organisation of the charity

At present the charity has 9 trustees. It aims to be governed by a board of between 12 and 20 trustees and had been looking at ways to attract more trustees. This has taken a pause whilst the funding agreement with Sheffield City Council was negotiated and also whilst Sheffield City Council looks to undertake a tender process for the future operation of the venues. Once the outcome of the tender process is known, then the trustees will consider the appropriate way forward.

Trustees are attracted based on advertising and introductions and are selected based on key skills. An induction process is carried out and all new trustees are invited to meet with the chairman and senior executives in order to better understand the operations of the charity. Trustee training is made available on an ad hoc basis when a need is identified.

During the year, the charity had five wholly owned subsidiaries, Sheffield International Venues Limited, SIV Enterprises Limited, Phoenix Sports Limited, a company limited by guarantee, which has complementary objects, 7 Hills Leisure Trust, a registered charity, with independent trustees, but of which the charity is the sole member and 7 Hills Commercial Limited. SIV Enterprises Limited, 7 Hills Leisure Trust and 7 Hills Commercial Limited did not trade during the year. As part of a planned group simplification programme, these entities, as of 29 March 2023, were put into Members Voluntary Liquidation.

Sheffield International Venues Limited undertakes all commercial activities in the venues in order to support the charitable activity.

The overall management and control of the charity's activities and finances are vested in the Chief Executive, Andrew Snelling. The board of the charity meets monthly and Mr Snelling attends all meetings, reporting on all key operational and financial matters. There is a Group Audit Committee which meets as required and not less than three times in each financial year. There is a Charitable Purposes Committee which focuses on the work of the charity outside the venues. The Charitable Purposes Committee has three members, Helen Best, Chairwoman, Graham Moore and Peter Taylor.

Trustee induction and training

New trustees undergo an induction process in which they spend some time with the chairman and chief executive and then the other senior managers. They will also visit the various facilities of the charity in company with a senior manager and familiarise themselves with the operations of the charity and its subsidiaries.

Each trustee is invited to take a special interest in one facility in order to get an in depth understanding of that part of the charity's operations and to be able to act as a point of contact for senior management. As with any special skills that any trustees may have, this arrangement adds to the effectiveness of the trustee board but doesn't change the responsibility of all trustees for all aspects of the governance and activities of the charity.

Relationship with other charities and organisations

The charity co-operates closely with Sheffield City Council in pursuit of its charitable objectives. The relationship is conducted in accordance with formal funding agreements. A councillor and an officer of the council are invited to attend as observers at each meeting of the board. The council did not appoint a nominee director to the board of Sheffield International Venues Limited in the year. The council reserves the right to appoint a director in the future.

Pay policy for senior staff

The trustees, who act as directors for the purpose of company law, consider that the board of trustees and the chief executive comprise the key management personnel of the charity in charge of directing and controlling and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received any remuneration in the year.

The pay of the chief executive is reviewed annually by the board of trustees. In view of the nature of the charity, the trustees benchmark against pay levels in other leisure trusts and other similar organisations.

Trustees' and directors' report (including strategic report) (continued)

Pay policy for senior staff (continued)

All such organisations are different, and the trustees are aware of the organisational complexities of the group and take this into consideration when comparing with larger charities. The trustees also look at similar job roles in the local, Sheffield, economy and other local charitable organisations to ensure that salaries are reasonable within the market.

Management of risk

The trustees are responsible for ensuring the effective management of risk including a system of internal financial control which is maintained by the charity. They consider risk management to be an important part of their role and endeavour to follow best practice.

During the year, the management teams at each venue have again discussed the risks identified with the members of the senior leadership team and have ensured that proper controls are in place within their venue. They have also considered each of the objectives set for the venue in the corporate strategy of the charity to ensure that the risks are linked into the operational objectives and that the process of risk mitigation is embedded in the action plans to deliver the objectives. This work of monitoring and mitigating risks within the venues continues to be a major work of the general managers at each venue. The senior leadership team regularly considers corporate risk in its meetings and updates the risk register accordingly. The Group Audit Committee reviews this process at each of its meetings as a standard agenda item providing additional checks and specific skill on top of the trustees' own monitoring process.

The trustees believe one of the key risks to the charity and group to be the ability of Sheffield City Council to provide adequate funds to maintain the buildings in the medium term. The trustees of the parent charity have entered into an agreement with Sheffield City Council ending in December 2024 in order to give greater certainty of future funding and additional funding has been provided to cover the cost of essential maintenance work on the venues.

The trustees also believe the general economic climate to be a major risk to the group, particularly in respect of the general rise in cost of living. The general rise in cost of living is impacting on individuals' disposable incomes and as such will impact on the ability of customers to pay for the services offered by the company, as they choose where to spend what disposable income they have.

Rising prices are also considered a major risk to the group, in particular higher energy costs, as energy costs make up a significant part of the charity's overall cost base, however these costs are managed to the extent possible through fixed price contracts.

The trustees continue to monitor the financial performance of the group very closely. The trustees anticipate that now that business has returned to normal following the pandemic, it will continue to grow and return to normal levels, however they expect to see some impact of the rising cost of living. The entertainment venues, in particular, have a strong diary of future events already scheduled. Given the support provided by Sheffield City Council to the Sheffield City Trust group, the trustees continue to support the going concern basis although they note a material uncertainty beyond December 2024 (see note 1).

The trustees have identified a number of other risks which they consider to be important to the business and have action plans to mitigate against them but believe that the risks considered above are the most significant and their future strategy addresses them directly.

Public Benefit

The trustees are aware of their duty to ensure that the charity provides a public benefit. Each year the prices charged for the charitable activities within each venue are reviewed by the trustees in order to ensure that they are reasonable and affordable to the vast majority of the citizens of Sheffield. The trustees are proud of their fitness membership package which provides high quality fitness membership at very good value for money, the excellent coached activity programme which provides affordable access to swimming, gymnastics and trampolining lessons amongst others and of the low prices of the Sheffield International Concert Season. In increasingly difficult economic times it is becoming difficult to maintain access to so many citizens. The trustees believe that the high levels of customer service, for which the group has won awards, demonstrates an ethos of providing the highest possible standards to all. Additionally, the charity offers concessionary prices on all products, including fitness membership and coached programmes, at 40% discount. The level and breadth of discount available are market leading and reflect the charity's commitment to ensuring services are available to as many of the citizens of Sheffield as possible.

The charity is the only member of 7 Hills Leisure Trust, a now dormant charity going through Members Voluntary Liquidation.

Trustees' and directors' report (including strategic report) (continued)

Stakeholder engagement and section 172 statement

The group operates in an environment which involves engagement with a wide network of stakeholders. The trustees understand that its relationships with stakeholders evolve and change over time. To respond to this, the Board keeps itself informed of its key stakeholders' interests through a combination of both direct and indirect engagement.

The trustees have regard to the interests of their stakeholders when discharging their duties. The trustees have identified the key stakeholders as its customers, people (employees), suppliers and the communities in which it operates. This section describes how the Board engages with its key stakeholders and how it considers their interests when making decisions. Further, it demonstrates how the board takes into consideration the long-term impact of its decisions, its desire to maintain a reputation for high standards of business conduct, and its requirement to act fairly between members of the group.

Customers

The trustees recognise that the importance of creating long lasting relationships with our customers and partners is vital to the way we do business.

For example, through the quality of the experience provided in venues and interaction with our general customer base whilst in our venues, through the GP exercise referral programme that we offer and work we do with our customers to benefit the local community, we develop and build lasting relationships which work to the benefit of all parties. Our reputation and success are built on the relationships we create, and we ensure that we continue to build on these for the future.

In addition, we carry out formal and informal feedback with customers that use our venues, using the results of this feedback to further develop relationships and make changes to the business where it is considered appropriate to do so.

In making strategic business decisions, the trustees consider their impact on customers, for example when considering the pricing structure, and aim to make business decisions that are beneficial and in the interests of the customer base.

People

Our people are fundamental to the charity's success. We recognise that their opinions count towards improving the workplace and the continued performance of the business.

The charity has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues. We engage with our people through surveys, by providing learning and development opportunities where required and through providing access to health and wellbeing initiatives.

The charity has a policy of offering job opportunities to persons with disabilities where possible.

Suppliers

The group's supply chain plays an important part in the delivery of its strategy and its success is tied to the performance of suppliers.

We continue to build strong relationships with our key suppliers and our wider stakeholder population. We are committed to securing services and supplies from local suppliers to support the strategy of the group and the importance it places on the local economy.

The group ensures that it maintains high standards of business conduct throughout its supply chain.

Communities and environment

It is important to us to support and give back to the local communities in which we operate including a commitment to supporting employees to give time to community and charitable activities. These include operating various activities within the community, for example cooking meals for the homeless, volunteering in local food banks and volunteering in local schools. We continue to monitor and are committed to reducing our carbon footprint.

Trustees' and directors' report (including strategic report) *(continued)*

Streamlined Energy and Carbon Reporting

GHG emissions and energy use data for period 1-April-2022 to 31-March-2023

	Reporting Year 2021-2022	Reporting Year 2022-2023
	UK GHG Emission and Energy Data	UK GHG Emission and Energy Data
Energy consumption used to calculate emissions (kWh), all mandatory energy sources are included.	45,432,606	50,791,906.2
Scope 1: Emissions from the combustion of Natural Gas tCO _{2e}	1,935.0	1,943.8
Scope 1: Emissions from combustion of Fuel for transport and heating (Tinsley) tCO _{2e}	32.2	116.5
Scope 3: Emissions from business travel in employee owned vehicles, where the company repaid mileage claims tCO _{2e} (average vehicle / fuel source unknown)	4.8	7.7
Scope 2: Emissions from purchased Electricity tCO _{2e}	3,454.1	3,542.6
Scope 2: Emissions from purchased Heat / Steam from District Heating tCO _{2e}	1,775.6	2,152.9
Total gross CO _{2e} based on above (tCO _{2e})	7,200.1	7,763.1
Intensity Ratio: kg CO _{2e} gross based on mandatory fields above per metre square of Gross Internal Area: (kg CO _{2e} m ⁻²)	53.0 kg CO _{2e} m ⁻²	51.8 kg CO_{2e} m⁻²

Methodology

An evidence-based methodology was adopted in accordance with BS EN ISO 14064-3:2019, Section 4.3; verifiable data has been collected from the following sources:

Energy Data: Energy Metering, Invoices, Supply Summaries / Statements, Repayment Claims for business mileage, Fuel Cards, and correspondence with suppliers.

Previous Audit Data: ISO 50001, CRC, ESOS Phase II and Display Energy Certificates.

Emission Conversions: All emission factors for CO₂ have been calculated using Defra Conversions 2022, the carbon content of the District Heating Schemes has been provided by the energy supplier(s).

Energy Efficiency Action

During the reporting period, Sheffield City Trust Group has procured 100% REGO backed Renewable Electricity from their energy suppliers, five of the largest venues are heated by District Heating Schemes (two from Energy from Waste and three from Biomass District Heating), one venue has a Combined Heat and Power Unit installed operating from Natural Gas.

Trustees' and directors' report (including strategic report) (continued)

Streamlined Energy and Carbon Reporting (continued)

Energy Efficiency Action (continued)

Sheffield City Trust Group has continued to invest in energy efficient lighting, replacement Building Management Systems, Direct Drive Ventilation Fans, Circulation Pump upgrades and Variable Speed Drives, in a bid to reduce energy consumption and emissions of CO₂. During the financial year (2022-23), there were and continue to be major investment plans supported by Sheffield City Council to replace two of the existing venues with new buildings, whilst continuing to invest in remedial works and energy efficiency projects.

Carbon Desktop hardware is reliant on the 3G Network, as 3G is due to be switched off later this year, alternative energy monitoring systems are being investigated. Unfortunately, many of the meters have now lost connectivity due to a mixture of project works and failure of the hardware utilised by the Carbon Desktop system.

There remains only two gas meters to be upgraded to AMR on Stark ID and one very small electricity supply meter appears to have failed. The Trust has requested this supply be replaced with a Smart Meter, as the monthly consumption prior to failure was around 30 kWh per month.

Sheffield City Trust has disposed of the vehicle fleet and outsource the maintenance of the buildings to a local contractor, as such the use of white diesel for the van fleet has been removed.

There is currently refurbishment work of Hillsborough Leisure Centre's plant room, with two further venues earmarked for future development (Concord Sports Centre and Springs Leisure Centre) although plans and dates are yet to be decided.

Disclosure of information to auditor

The trustees who held office at the date of approval of the trustees' report and this strategic report confirm that, so far as they are each aware, there is no relevant information of which the group's auditor is unaware; and each trustee has taken all steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Crowe U.K. LLP therefore continued in office.

In accordance with Section 414 of the Companies Act 2006, the company has prepared a trustee's report that includes information that would be included with a strategic report. The trustees authorise both the trustees' report and strategic report below.

By order of the board

D Grey MBE
Chairman



English Institute of Sport - Sheffield
Coleridge Road
Sheffield
S9 5DA
26 July 2023

Company registration number 2164600
Charity registration number 700520

Statement of trustees' responsibilities in respect of the strategic report, the trustees' report and the consolidated financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and charitable company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of their profit or loss for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Sheffield City Trust

Opinion

We have audited the financial statements of Sheffield City Trust ('the Trust') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Trust Statement of Financial Activities, Consolidated Balance Sheet, Trust Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Trust's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the Trust has funding agreements in place through to at least 31 December 2024 although future operations beyond 2024 are subject to a tender process and funding is in place until 2024. As stated in note 1, these events indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern beyond 2024. Our opinion is not modified in respect of this matter.

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

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Challenging the Group's assessment of the ability of Sheffield City Council to provide such support.
- Assessing the numerical accuracy of the forecasts.
- Considering sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively including the impact of inflation.
- Assessing the completeness and accuracy of the matters covered in the going concern disclosures by comparing the disclosures to our knowledge obtained throughout the audit.

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

Other information

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

Independent auditor's report to the members of Sheffield City Trust *(continued)*

Other information *(continued)*

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the Trust 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 Trust'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 Trust 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:

Independent auditor's report to the members of Sheffield City Trust *(continued)*

Auditor's responsibilities for the audit of the financial statements *(continued)*

We obtained an understanding of the legal and regulatory frameworks within which the Group and Trust operate. We considered this context to be the Companies Act 2006 and Charities Act 2011. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing the accounting estimates for bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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



Vicky Szulist (Senior Statutory Auditor)
for and on behalf of Crowe U.K. LLP, Statutory Auditor

Chartered Accountants

The Lexicon
Mount Street
Manchester
M2 5NT

26 July 2023

Consolidated statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2023

		Unrestricted funds	Restricted Funds – charitable activities	Total funds	Total funds
	<i>Note</i>	2023 £000	2023 £000	2023 £000	2022 £000
Incoming resources					
Income from charitable activities		29,319	-	29,319	20,235
Investment income		103	-	103	9
Income from donations and legacies - Grants receivable		212	-	212	1,321
Income from donations and legacies - Sheffield City Council		9,668	2,244	11,912	11,512
Total incoming resources		39,302	2,244	41,546	33,077
Resources expended					
Expenditure on raising funds		(20,418)	(1,688)	(22,106)	(14,847)
Expenditure on charitable activities – general		(14,881)	(2,061)	(16,942)	(17,108)
Expenditure on charitable activities - pension		-	-	-	12,957
Total resources expended	3	(35,299)	(3,749)	(39,048)	(18,998)
Net incoming/(outgoing) resources before tax	6	4,003	(1,505)	2,498	14,079
Taxation	9	35	-	35	396
Net incoming/(outgoing) resources before other recognised gains and losses		4,038	(1,505)	2,533	14,475
Transfer between funds		(9)	9	-	-
Actuarial gain recognised in the pension scheme	22	-	-	-	3,677
Net profit/(loss) in the year		4,029	(1,496)	2,533	18,152
Fund balances brought forward		(2,012)	32,342	30,330	12,178
Fund balances carried forward	4/5	2,017	30,846	32,863	30,330

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

Company statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2023

		Unrestricted funds	Restricted funds – charitable activities	Total funds	Total funds
	<i>Note</i>	2023 £000	2023 £000	2023 £000	2022 £000
Incoming resources					
Income from charitable activities		10,500	-	10,500	8,474
Investment income		102	-	102	9
Income from donations and legacies - Grants receivable		7	-	7	692
Income from donations and legacies - Sheffield City Council		9,668	1,918	11,586	9,113
Total incoming resources		20,277	1,918	22,195	18,288
Resources expended					
Expenditure on charitable activities – general		(16,942)	(2,061)	(19,003)	(17,360)
Expenditure on charitable activities - pension		-	-	-	12,957
Total resources expended	3	(16,942)	(2,061)	(19,003)	(4,403)
Net incoming/(outgoing) resources before tax	6	3,335	(143)	3,192	13,885
Tax		-	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		3,335	(143)	3,192	13,885
Transfer between funds		(9)	9	-	-
Actuarial gain recognised in the pension scheme	22	-	-	-	3,677
Net profit/(loss) in the year		3,326	(134)	3,192	17,562
Fund balances brought forward		(2,242)	11,174	8,932	(8,630)
Fund balances carried forward	4/5	1,084	11,040	12,124	8,932

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

Consolidated balance sheet

As at 31 March 2023

	Note	2023		2022	
		£000	£000	£000	£000
Fixed assets					
Intangible Assets	11	17		26	
Tangible fixed assets	12	149,337		151,986	
Negative goodwill	10	(6,368)		(6,573)	
		<hr/>		<hr/>	
			142,986		145,439
Current assets					
Stocks	14	233		216	
Debtors (including debtors due after one year of £32,490,000 (2022: £32,490,000))	15	35,166		34,356	
Cash at bank and in hand	16	6,013		2,968	
Cash at bank and in hand – third party ticket monies	16	9,036		5,000	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	17	50,448 (34,016)		42,540 (29,922)	
		<hr/>		<hr/>	
Net current assets			16,432		12,618
			<hr/>		<hr/>
Total assets less current liabilities			159,418		158,057
Creditors: amounts falling due after more than one year	18		(126,440)		(127,727)
Provisions for liabilities	19		(115)		-
			<hr/>		<hr/>
Net assets			32,863		30,330
			<hr/>		<hr/>
Fund balances					
Unrestricted reserves					
Designated reserve	4		377		505
General reserve	4		1,640		(2,517)
			<hr/>		<hr/>
Net unrestricted funds			2,017		(2,012)
Restricted funds	5		30,846		32,342
			<hr/>		<hr/>
Total funds			32,863		30,330
			<hr/>		<hr/>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 26 July 2023 and were signed on its behalf by:

D Grey MBE
Chairman

Charity Registration Number 700520 / Company registration number: 2164600

Company balance sheet

As at 31 March 2023

	Note	2023		2022	
		£000	£000	£000	£000
Fixed assets					
Investments	13	-		-	
Intangible assets	11	17		26	
Tangible fixed assets	12	124,597		125,282	
		<hr/>		<hr/>	
			124,614		125,308
Current assets					
Stock	14	-		-	
Debtors (including debtors due after one year of £32,490,000 (2022 - £32,490,000))	15	36,454		33,376	
Cash at bank and in hand	16	3,000		1,474	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	17	39,454		34,850	
		(25,389)		(23,499)	
		<hr/>		<hr/>	
Net current assets			14,065		11,351
			<hr/>		<hr/>
Total assets less current liabilities			138,679		136,659
Creditors: amounts falling due after more than one year	18		(126,440)		(127,727)
Provision for liabilities	19		(115)		-
			<hr/>		<hr/>
Net assets			12,124		8,932
			<hr/> <hr/>		<hr/> <hr/>
Fund balances					
Unrestricted reserves					
Designated reserve	4		377		505
General reserve	4		707		(2,747)
			<hr/>		<hr/>
Net unrestricted funds			1,084		(2,242)
Restricted funds	5		11,040		11,174
			<hr/>		<hr/>
Total funds			12,124		8,932
			<hr/> <hr/>		<hr/> <hr/>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 26 July 2023 and were signed on its behalf by:

D Grey MBE
Chairman

Charity Registration Number 700520 / Company registration number: 2164600

Consolidated cash flow statement

For year ended 31 March 2023

	<i>Note</i>	2023 £000	2022 £000
Cash flows from operating activities			
Net incoming resources before other recognised gains or losses		2,533	14,475
<i>Adjustments for:</i>			
Depreciation and amortisation	10/11/12	4,498	3,603
Interest receivable and similar income		(103)	(9)
Interest payable and similar charges		2,047	3,338
Pension receipts in excess of cash contributions		-	(12,600)
Tax		-	(396)
Profit on disposal		(5)	(539)
Provision for dilapidations		115	-
		9,085	7,872
(Increase)/decrease in trade and other debtors	15	(845)	1,252
Increase in stocks	14	(17)	(93)
Increase in trade and other creditors	17	3,099	414
		11,322	9,445
Tax received		35	43
		11,357	9,488
Cash flows from investing activities			
Acquisition of tangible fixed assets	12	(2,045)	(3,619)
Proceeds from disposal of tangible fixed assets		5	1,009
Interest received		103	9
		(1,937)	(2,601)
Cash flows from financing activities			
Proceeds from new loan		16,559	15,910
Interest paid		(2,043)	(2,991)
Repayment of borrowings		(16,791)	(15,721)
Payment of finance lease liabilities		(64)	(264)
		(2,339)	(3,066)
Net increase in cash and cash equivalents		7,081	3,821
Cash and cash equivalents brought forward		7,968	4,147
		15,049	7,968
Cash and cash equivalents carried forward			

The accompanying notes form part of the financial statements.

Consolidated analysis of net debt

For year ended 31 March 2023

	At 1 April 2022 £000	Cashflows £000	New finance leases £000	Non-cash movements £000	At 31 March 2023 £000
Cash at bank and in hand	7,968	7,081	-	-	15,049
Bank loans	(491)	232	-	-	(259)
Other loans	(3,513)	-	-	-	(3,513)
Finance Leases	(314)	304	(240)	-	(250)
Bond	(34,159)	16,559	-	(4)	(17,604)
Sheffield City Council	(106,258)	(16,559)	-	-	(122,817)
	<u>(136,767)</u>	<u>7,617</u>	<u>(240)</u>	<u>(4)</u>	<u>(129,394)</u>

Notes to the financial statements

1 Accounting policies

Sheffield City Trust (the “charity”) is a company limited by guarantee, is a registered charity (registration number 700520) and is incorporated and domiciled in the UK. The charity is a public benefit entity.

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (*Charities SORP FRS 102*), the Charities Act 2011 and the Companies Act 2006. The presentation currency of these financial statements is sterling. The current years financial statements are for the year from 1 April 2022 to 31 March 2023 (*2022: 1 April 2021 to 31 March 2022*).

The parent company is included in the consolidated financial statements; and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 24.

Going concern

During the year ended 31 March 2023, Sheffield City Trust had net incoming resources before tax of £2,498,000, an increase in cash of £7,081,000 to £15,049,000 and Group net assets of £32,863,000 as at 31 March 2023.

Current Trading

Sheffield City Council provides legally binding support to Sheffield City Trust as follows:

‘Shortfall Funding Agreement’ Sheffield City Council will continue to provide additional funding support in respect of three legacy venues (Utilita Arena Sheffield, Hillsborough Leisure Centre and Ponds Forge International Sports Centre) in line with the ‘Shortfall Funding Agreement’ held between both parties, including a guarantee for the amounts due under the bonds. The ‘Shortfall Funding Agreement’ is a legally binding commitment to 31 March 2024.

Additionally, Sheffield City Trust entered into a legally binding Funding Agreement with Sheffield City Council on 31 March 2022 to provide the funds and cashflow support necessary to run the trust through to 31 August 2024. On 10 July 2023 a Deed of Extension to this funding agreement extended the necessary support to run the trust through to at least 31 December 2024.

Sheffield City Council has indicated its intention to continue to make available such funds as are needed by the charity for the period of at least 12 months from the date of signing of the financial statements and in fact to at least 31 December 2024. As with any charity placing reliance on a partner for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Management have prepared a business plan to cover the period to 31 December 2024 which sets out planned income and expenditure across all venues and is broken down by type of income and expense.

The management team is committed to achieving the plan and have robust action plans in place to enable them to do this. The management team continues to meet on a monthly basis to review performance against the budget and, where there are shortfalls, looks at actions to address these, including the reduction of costs where necessary. Performance year to date is ahead of the plan.

The plan includes trading assumptions which are reliant on further capital investment in venues, which is only achievable with assistance from Sheffield City Council. The additional capital investment is required to support the plan, but because of the legal arrangements regarding the bond and related assets and the funding agreement entered into on 31 March 2022, together with the Deed of Extension to this agreement, it is not necessary for the group to continue as a going concern.

The operating environment presents a number of challenges which could contribute to the group failing to achieve its operational cash flow forecasts. These risks and uncertainties include but are not limited to, the continued impact of the current economic climate, achieving forecast levels of fitness members, achieving forecast footfall in venues and achieving continuing control over the level of underlying cost base. As such, the reliance on the intended legally binding assistance from Sheffield City Council is even more important.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Going concern *(continued)*

The trustees have considered all of these factors and have had discussions with representatives from Sheffield City Council. Sheffield City Council is guarantor of the bond and entered into the new Funding Agreement (31 March 2022), extended by Deed of Extension on 10 July 2023, to emphasise its commitment to the future of Sheffield City Trust. The trustees also consider that the provisions of the funding agreement provide for significant liabilities beyond 2024 and that the group remains sustainable beyond this date.

Operations Post 2024

On 17 November 2021, Sheffield City Council began a Leisure and Entertainment Facility and Services Review. The review included an intention to put out to competitive tender the management of the major sporting facilities, leisure facilities and entertainment venues currently managed by the Trust.

As part of this approved leisure strategy, Sheffield City Council decided to run the tender as three separate public procurement processes: leisure facilities including golf sites, Utilita Arena Sheffield and Sheffield City Hall. The first two processes were initiated on 28 June 2023. The third, Sheffield City Hall, is due to begin in the Autumn of 2023.

The Trust has already communicated to Sheffield City Council that it does not intend to bid to operate the facilities from the potential hand back date in 2024. The Trustees have however agreed to continue to operate the facilities beyond the expected end of the original arrangements, supported by the Deed of Extension, signed on 10 July 2023 in order to enable Sheffield City Council the time to identify and contract with a new operator(s) or determine what other arrangements might be appropriate in the medium term. Other arrangements could involve the Trust continuing to directly manage one or more of the venues.

It is expected that the outcome of the procurement processes will be known in the Autumn of 2024 and if a successful bidder(s) identified, for handover to be by 31 December 2024. It is however the view of Trustees that it is too early in the overall tender process for them to have any certainty about its outcome. Taken as a whole, the tender itself is a complex, multi-faceted process which is subject to negotiations with interested bidders and is further complicated by extremely difficult market conditions including high inflation, significant volatility in the energy market, high construction and material costs which increases repair and renewal cost and risk on large and aging public buildings and a difficult employment market. All these factors lead to a high level of uncertainty regarding the appetite of the market to bid for the three contracts and, where final bids are received, whether the cost, risk and reward profile meets Sheffield City Council's expectations. As such, there is significant uncertainty over whether the tender will result in the Trust no longer managing all of the venues.

The Trustees' intention is to deliver services in line with the charitable objects of Sheffield City Trust for the benefit of its beneficiaries and to continue to do this save to the extent that Sheffield City Council, the charity's main lessor and funding partner ceases to provide the funding required to support the relevant activity. The Trustees are considering whether the Trust might continue to deliver its charitable objects if and when another operator becomes Sheffield City Council's principal contractor for the facilities now operated by the Trust. It may be that some services delivered within communities, away from the venues, might continue through the Trust, either as principal or as agent for the Council or a new venue operator. The Trustees remain fully committed to supporting the health and wellbeing of the people of Sheffield in any way they can.

Conclusion

In light of the above, Trustees consider the Charity to be a going concern but with a material uncertainty as to the future of operations beyond December 2024. This conclusion is based upon both the intent of Trustees to continue to operate the Charity for as long as they are able to deliver its charitable objects, willing to adapt the provision to suit its circumstances, and the significant uncertainty over how the market will respond to Sheffield City Council's tender process.

As a result of the legal arrangements with Sheffield City Council, the trustees are confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and through to at least December 2024.

The Trustees have considered the impact on the financial statements should they not consider the Trust to be a going concern once the outcome of the tender process is known. They believe that on ceasing to operate, the business would be transferred as a going concern and as such do not therefore believe that any additional provisions for liabilities, impairment of assets or re-classification of any non-current assets or liabilities to current ones would be necessary.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

Operating Segments

The Trustees believe that the Group comprises a single reporting segment, that being the provision of facilities to enable the public to participate in recreational activities, which promotes the health and well being of the people of Sheffield and surrounding areas.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its subsidiary undertakings made up to 31 March 2023. The consolidated statement of financial activities consolidates the results of the charitable activities of the group on a line by line basis.

Investments

In the charity's financial statements, investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures, fittings and equipment	- 5% to 100% per annum
Leasehold buildings (other than venues)	- life of lease

No depreciation is provided on freehold or leasehold land.

Tangible fixed assets relating to the original capitalisation of the leased venues – Ponds Forge International Sports Centre, Utilita Arena Sheffield and Hillsborough Leisure Centre – are depreciated over their remaining useful economic life (until 2024) on a straight line basis to their residual value. The residual value of the tangible fixed assets reflects the value at which the assets will be realised upon the settling of the bond liabilities of the charity.

Capital grants receivable and restricted funds

In accordance with the requirements of the Financial Reporting Standard 102 "The financial reporting standard applicable in the United Kingdom and Ireland" (Charities SORP (FRS 102)) capital grants are recognised as restricted funds in the accounting period in which they are received. Depreciation charged over the period imposed by the grant agreement associated with the restricted fund, is included within restricted funds. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Revenue grants and unrestricted funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Revenue grants are recognised in the period in which the relevant expenditure is incurred and in line with any conditions specific to the grant. Where performance criteria are met, the grant is released.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Pension costs (continued)

In the year, the group contributed to a pension scheme operated by South Yorkshire Pension Authority providing benefits based on final pensionable pay. On 31 March 2022, the historic assets and liabilities of the South Yorkshire Pension Scheme were subsumed by the Sheffield City Council South Yorkshire Pension Scheme and the group has been discharged of its net pension liability. Further details regarding the schemes are disclosed in note 22.

Goodwill

Goodwill arising on acquisition is released over the period of use of the non-monetary assets to which it relates. Negative goodwill arising on acquisition is released to the statement of financial activities in the periods in which the fair values of non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

Tax

Sheffield City Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from tax in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2013 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Sheffield International Venues Limited is the trading subsidiary of the Trust. The company has a policy of making gift aid payments equivalent to at least its taxable profit subject to sufficient distributable reserves being available. Therefore, it does not expect to incur any tax charges and deferred tax accounting is not considered to be necessary.

Incoming resources from charitable activities

Incoming resources from charitable activities represents the amounts (excluding value added tax) derived from the rental of sites in Sheffield developed as recreational facilities together with other income derived from those sites, including payment by the community for use of the recreational facilities. All income from these activities arises from activities in the United Kingdom.

Interest receivable and payable

Interest receivable or payable is recognised in the statement of financial activities on an accruals basis.

Resources expended and allocation of charitable expenditure

Resources expended are accounted for on an accruals basis and are classified by the trustees as expenditure on raising funds or expenditure on charitable activity, depending on the nature of the expenditure incurred. Where resources expended are apportioned this is done on the basis of the use of the resources.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts, discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations

During the year the charity had five wholly owned subsidiaries which are incorporated in the UK. Sheffield International Venues Limited manages sporting and recreational facilities as agent for Sheffield City Trust in respect of the community income and expenditure, and as principal in respect of ancillary commercial income and expenditure for Sheffield City Trust. 7 Hills Leisure Trust has not traded in the year and the objects of the charity in the year were to allow the orderly wind up of the charity following the cessation of trade. 7 Hills Commercial Limited is a non-trading entity. On 29 March 2023, both 7 Hills Leisure Trust and 7 Hills commercial entered into Members Voluntary Liquidation.

Phoenix Sports Limited provides full ownership and operation of the English Institute of Sport - Sheffield. The charity indirectly owns SIV Enterprises Limited, through Sheffield International Venues Limited. SIV Enterprises Limited did not trade during the year and entered into Members Voluntary Liquidation on 29 March 2023.

A summary of the trading activities of Sheffield City Trust's subsidiaries are shown below.

Sheffield International Venues Limited

	2023 £000	2022 £000
Turnover	18,818	11,762
Other operating income	846	2,325
Raw materials and consumables	(2,612)	(1,486)
Staff costs	(5,051)	(3,527)
Depreciation	(1,354)	(1,208)
Other operating charges	(9,869)	(9,299)
Operating profit/(loss)	778	(1,433)
Net interest payable	(14)	(2)
Profit/(loss) on ordinary activities before taxation	764	(1,435)
Tax on profit/(loss) on ordinary activities	-	395
Profit/(loss) retained in the subsidiary	764	(1,040)

The directors reviewed the funding arrangements for Sheffield International Venues Limited and its budgets for the coming year and believe that due to the significant increase in energy costs, it will not make a positive contribution to the financial affairs of the charity in 2023/24. The directors will keep this position under close review and take appropriate action to mitigate against future losses.

	2023 £000	2022 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	2,290	3,392
Current assets	13,511	8,716
Creditors: amounts falling due within one year	(14,343)	(10,805)
Creditors: amounts falling due after more than one year	(694)	(1,303)
Net assets	764	-
Statement of other comprehensive income		
	2023 £000	2022 £000
Profit/(loss) for the financial period	764	(1,040)
Total comprehensive income/(expense) for the financial year	764	(1,040)

Notes to the financial statements *(continued)*

3 Results of subsidiary organisations *(continued)*

7 Hills Leisure Trust

	Unrestricted funds - General 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Resources expended			
Expenditure on charitable activities	-	-	(414)
	<hr/>	<hr/>	<hr/>
Total resources expended	-	-	(414)
	<hr/>	<hr/>	<hr/>
Net outgoing resources before other recognised gains and losses	-	-	(414)
	<hr/>	<hr/>	<hr/>
Net movements in the year	-	-	(414)
Fund balances at 1 April 2022	-	-	414
	<hr/>	<hr/>	<hr/>
Fund balances carried forward	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The directors reviewed the funding arrangements for 7 Hills Leisure Trust and its budgets and believed that it would better deliver against its charitable objects by transferring its operations into its parent charity, Sheffield City Trust. Following the transfer of all venues, the focus of the charity has been to allow the orderly wind up of the charity and on 29 March 2023 the charity entered Members Voluntary Liquidation. As part of a streamlined group structure, it will drive further efficiencies and ultimately improve the resources available to deliver the charitable objects of both charities.

	2023 £000	2022 £000
The assets and liabilities of the subsidiary were:		
Current assets	1	1
Creditors: amounts falling due within one year	(1)	(1)
	<hr/>	<hr/>
Net assets	-	-
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

Phoenix Sports Limited

	2023 £000	2022 £000
Income		
Lottery grant released	433	433
Yorkshire Forward grant released	14	14
Lifecycle fund	424	53
Grant income	71	71
Other income	92	91
	1,034	662
Expenditure		
Building Maintenance	(372)	-
Depreciation	(658)	(658)
	4	4
Operating profit	4	4
Profit on ordinary activities before tax	4	4
Tax on profit on ordinary activities	35	-
	39	4
Profit retained in the subsidiary	39	4

The directors reviewed the funding arrangements for Phoenix Sports Limited and its budgets for the coming year and believe that it will continue to make a small positive contribution to the financial affairs of the charity.

	2023 £000	2022 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	16,083	16,741
Current assets	2,366	2,611
Deferred income: amounts falling due within one year	(571)	(571)
Deferred income: amounts falling due after more than one year	(17,940)	(18,882)
	(62)	(101)
Net liabilities	(62)	(101)

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

SIV Enterprises Limited

	2023	2022
	£000	£000
Other operating income	-	65
Staff costs	-	241
Other operating charges	-	(67)
	<hr/>	<hr/>
Operating profit	-	239
Other income	-	1,502
	<hr/>	<hr/>
Profit on ordinary activities before taxation	-	1,741
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>
Profit retained in the subsidiary	-	1,741
	<hr/> <hr/>	<hr/> <hr/>

The company has not traded during the year and on 29 March 2023 entered into Members Voluntary Liquidation.

The net assets of the company at 31 March 2023 were £nil (2022: £nil).

Statement of other comprehensive income

	2023	2022
	£000	£000
Profit for the financial year	-	1,741
	<hr/>	<hr/>
Total comprehensive income for the financial year	-	1,741
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements (continued)

3 Resources expended

<i>Unrestricted funds</i>	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
<i>Expenditure on raising funds</i>				
Ground rent	15	40	-	-
Other finance costs – including pension	-	1	-	-
Overheads including staff costs, depreciation and finance lease interest	20,403	13,182	-	-
	<u>20,418</u>	<u>13,223</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities - General</i>				
Ground rent	115	115	115	115
Interest on loans	137	92	137	92
Interest payable on bonds	1,885	2,873	1,885	2,873
Other finance costs – including pension	-	342	-	342
Overheads including staff costs, depreciation and finance lease interest	12,744	13,021	14,805	13,273
	<u>14,881</u>	<u>16,443</u>	<u>16,942</u>	<u>16,695</u>
<i>Expenditure on charitable activities - Pension</i>				
Pension scheme settlement	-	(12,957)	-	(12,957)
	<u>-</u>	<u>(12,957)</u>	<u>-</u>	<u>(12,957)</u>
Total unrestricted resources expended	<u><u>35,299</u></u>	<u><u>16,709</u></u>	<u><u>16,942</u></u>	<u><u>3,738</u></u>
<i>Restricted funds</i>				
<i>Expenditure on raising funds</i>				
Overheads	656	440	-	-
Depreciation	1,032	1,184	-	-
	<u>1,688</u>	<u>1,624</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities</i>				
Overheads	649	38	649	38
Depreciation	1,412	627	1,412	627
	<u>2,061</u>	<u>665</u>	<u>2,061</u>	<u>665</u>
Total restricted resources expended	<u><u>3,749</u></u>	<u><u>2,289</u></u>	<u><u>2,061</u></u>	<u><u>665</u></u>

Notes to the financial statements (continued)

4 Unrestricted funds

The breakdown of the unrestricted funds between designated and general funds is as follows:

Group	At 31 March 2021 £000	Income £000	Utilised £000	Movement in pension deficit £000	At 31 March 2022 year £000	Income £000	Utilised £000	Transfer between reserves £000	At 31 March 2023 year £000
Group									
Designated funds									
Direct support of other charitable activities in Sheffield	505	95	(109)	-	491	100	(214)	-	377
Health fund	7	-	(2)	-	5	-	(5)	-	-
Other designated reserves	-	78	(69)	-	9	-	-	(9)	-
General funds									
Retained (deficit)/surplus	(3,087)	28,961	(28,391)	-	(2,517)	39,202	(35,045)	-	1,640
Pension reserve	(15,935)	-	12,258	3,677	-	-	-	-	-
	(18,510)	29,134	(16,313)	3,677	(2,012)	39,302	(35,264)	(9)	2,017
Company									
Designated funds									
Direct support of other charitable activities in Sheffield	505	95	(109)	-	491	100	(214)	-	377
Health fund	7	-	(2)	-	5	-	(5)	-	-
Other designated reserves	-	78	(69)	-	9	-	-	(9)	-
General funds									
Retained (deficit)/surplus	(3,137)	16,206	(15,816)	-	(2,747)	20,177	(16,723)	-	707
Pension reserve	(15,935)	-	12,258	3,677	-	-	-	-	-
	(18,560)	16,379	(3,738)	3,677	(2,242)	20,277	(16,942)	(9)	1,084

The fund to support the other charitable activities of the charity provides grants to other groups where those groups are considered the most appropriate way of furthering the charity's objects within the specific target communities.

The health fund was established to fund children's education and nutrition programmes.

Included within unrestricted funds is grant income of £nil (2022: £100,000) received in the year in respect of the governments Coronavirus Job Retention scheme.

5 Restricted funds

Group	At 31 March 2021 £000	Incoming Resources £000	Utilised £000	At 31 March 2022 £000	Incoming Resources £000	Utilised £000	Transfer between reserves £000	At 31 March 2023 £000
Group								
iceSheffield capital grant	5,945	-	(185)	5,760	-	(185)	-	5,575
Sheffield City Hall renovation grant	3,177	-	(92)	3,085	-	(92)	-	2,993
EISS grant	18,664	-	(500)	18,164	-	(871)	-	17,293
NCSEM at Concord Sports Centre	319	-	(80)	239	-	(80)	-	159
Essential maintenance grant	1,381	3,943	(1,388)	3,936	2,124	(2,389)	-	3,671
EISS Sport hall grant	1,182	-	(39)	1,143	-	(39)	-	1,104
Other grants	20	-	(5)	15	120	(93)	9	51
	30,688	3,943	(2,289)	32,342	2,244	(3,749)	9	30,846
Company								
iceSheffield capital grant	5,945	-	(185)	5,760	-	(185)	-	5,575
Sheffield City Hall renovation grant	3,177	-	(92)	3,085	-	(92)	-	2,993
NCSEM at Concord Sports Centre	319	-	(80)	239	-	(80)	-	159
Essential maintenance grant	444	1,909	(305)	2,048	1,798	(1,612)	-	2,234
EISS Sports hall grant	45	-	(3)	42	-	(3)	-	39
Other grants	-	-	-	-	120	(89)	9	40
	9,930	1,909	(665)	11,174	1,918	(2,061)	9	11,040

Notes to the financial statements *(continued)*

5 Restricted funds *(continued)*

The restricted funds of £5,575,000 in respect of iceSheffield represent funding received from Sport England to aid the charity in building the national ice centre in the Lower Don Valley. This project was completed in 2003 and the fund is being amortised as the asset is depreciated.

The restricted funds of £2,993,000 in respect of the Sheffield City Hall renovation project represent funding received from the European Single Regeneration Budget to fund the cost of professional fees during the design phase of the project, and from European Objective 1 funding to fund the building phase. The project was completed in 2005 and the fund is being amortised as the asset is depreciated.

The restricted funds of £17,293,000 in respect of EISS represents funds received from Sport England and Yorkshire Forward to aid Phoenix Sports Limited in building the EISS and a further amount received from Sport England to provide a lifecycle fund to meet the maintenance cost of the up-keep of EISS. The project to build the EISS was completed in 2003 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted funds of £159,000 relate to Olympic Legacy funding received from Public Health England on behalf of the Department of Health (DOH). The charity is part of a consortium of organisations in Sheffield that is promoting and researching the positive benefit of physical activity on health. These funds have been used to generate a positive benefit for the NHS by renovating and equipping Concord Sports Centre for use by the public for medical facilities within a building also used for physical activity. The project was completed in 2015 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted fund of £3,671,000 in respect of essential maintenance represents funds received from Sheffield City Council to aid essential maintenance work on the various properties, which are owned by Sheffield City Council and operated by the charity. The funds are being amortised either as the assets are depreciated or the cost of repairs incurred.

The restricted funds of £1,104,000 in respect of the EISS Sports Hall represents funds received from Sheffield City Council to build a sports hall at the English Institute of Sport – Sheffield for the use of a local school. Funds are being amortised as the assets are depreciated.

Included within other grants is £5,000 in respect of the Sheffield City Council East LAC fund grant to be used to deliver Saturday activities to young people, £2,000, £2,500 and £1,200 Sheffield City Council East LAC fund grants for projects that promote children and young people's health and wellbeing, £19,500 Sheffield City Council youth grant fund to deliver sessions based on the national youth work curriculum and ward pots to provide activities for young people in 5 Sheffield wards, four of £500 and one of £945.

The useful economic life of all assets mentioned within restricted funds is in line with the duration of the respective leases pertaining to the buildings for which that work was funded.

By their nature restricted funds can only be used for the purpose they were intended and not to fund general or unrestricted activity.

6 Net incoming/(outgoing) resources before taxation are stated after charging

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Auditor's remuneration - Audit of these financial statements	99	101	47	40
Depreciation of owned assets	4,511	3,575	2,294	1,505
Depreciation of assets held under finance leases	183	224	183	224
Hire of assets under operating leases - other assets	170	129	170	129
Amortisation of negative goodwill	(205)	(205)	-	-
Impairment of trade receivables	27	-	1	-
Inventory recognised as an expense	2,028	1,149	-	-
	<u>2,028</u>	<u>1,149</u>	<u>-</u>	<u>-</u>

7 Remuneration of trustees

No emoluments were paid to any of the trustees during the year (2022: *£nil*).

No expenses were reimbursed to any trustees in respect of any expenditure made on behalf of the charity (2022: *£nil*).

Notes to the financial statements *(continued)*

8 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year analysed by category, was as follows:

	Group		Company	
	2023 Number	2022 Number	2023 Number	2022 Number
Leisure	394	304	394	304
Operations and maintenance	159	125	159	125
Administration	131	121	131	121
Catering	281	157	281	157
	965	707	965	707
	965	707	965	707

Staff numbers and costs include all contracted and casual staff regardless of hours worked. The number of permanent full time roles increased during the year as did the number of casual employees.

The aggregate payroll cost of the employees employed by the group during the year was as follows:

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Wages and salaries	12,200	9,814	12,200	9,814
Social security costs	846	652	846	660
Other pension costs	643	(12,300)	643	(12,000)
Redundancy costs	27	12	27	1
	13,716	(1,822)	13,716	(1,525)
	13,716	(1,822)	13,716	(1,525)

Where required, companies within the group procure HR services from Sheffield City Trust as required to support the operations of the venues and a management fee is charged for these services. The staff numbers and costs of all contracted staff employed by Sheffield City Trust irrespective of which group company they provide services to are included in the company numbers above.

In the year ended 31 March 2022, the group pension costs include a pension credit of £257,000 in respect of the Derbyshire Pension Scheme and a settlement credit of £12,957,000 following the admission of all employees in the South Yorkshire pensions scheme into the Sheffield City Council scheme.

The number of employees in the group whose emoluments amounted to over £60,000 in the year was as follows:

	2023	2022
£60,001 - £70,000	-	4
£70,001 - £80,000	3	1
£80,001 - £90,000	2	-
£110,001 - £120,000	1	1
	6	6
	6	6

The group made contributions of £56,000 (2022: £58,000) to defined benefit schemes in respect of these employees.

Notes to the financial statements *(continued)*

9 Tax

Analysis of charge in year

	2023 £000	Group	2022 £000
Current tax			
Adjustments in respect of prior periods	(35)		-
Total current tax charge for the year	<u>(35)</u>		<u>-</u>
Deferred tax			
Origination and reversal of timing differences	-		(396)
Total tax credit for the year	<u>(35)</u>		<u>(396)</u>

Factors affecting the tax charge for the current year

The current tax charge for the period is lower (*2022: lower*) than the standard rate of corporation tax in the United Kingdom, which, for the period ended 31 March 2023, was 19% (*2022: 19%*). The differences are explained below:

	2023 £000		2022 £000
Net incoming resources before tax	2,498		14,079
Current tax at 19% (<i>2022: 19%</i>)	475		2,675
Non deductible and non taxable items	(455)		(3,032)
Adjustments relating to prior periods	(35)		(396)
Losses utilised	(247)		-
Depreciation in excess of capital allowances	227		199
Tax losses	-		158
Total tax credit for the year	<u>(35)</u>		<u>(396)</u>

The release of deferred tax in the prior year relates to Sheffield International Venues Limited, Sheffield City Trust's trading subsidiary.

Sheffield International Venues Limited has historically recognised deferred tax movements however given its tax strategy of making a gift aid payment to its charitable parent, Sheffield City Trust, of any taxable profits and the level of historical tax losses, it now considers this accounting to no longer be required.

Notes to the financial statements *(continued)*

10 Negative goodwill

	£000
<i>Cost</i>	
At beginning and end of year	(8,741)
<i>Impairment losses/amortisation</i>	
At beginning of year	2,168
Charge for year	205
At end of year	2,373
<i>Carrying amount</i>	
At end of year	(6,368)
At beginning of year	(6,573)

As part of the transaction to take full ownership and direct operation of the EISS, the trust acquired Phoenix Sports Limited for £1 on 31 March 2011.

Phoenix Sports Limited is the company which owns the 150 year lease relating to EISS.

At the date of the acquisition the net assets acquired had a book value of £nil, being the net book value of the English Institute of Sport – Sheffield building of £20m less the amounts provided by the English Sports Council to fund the construction of the building, £20m, shown as deferred income. In accordance with UK GAAP requirements regarding acquisition accounting, the fair value of the EISS building was determined at the date of acquisition as £29m. As this amount exceeded the deemed consideration paid, £20m, negative goodwill of £9m was recognised.

This goodwill is being amortised over 50 years in line with the useful economic life of the English Institute of Sport – Sheffield building and the historic grant funding which financed its construction.

11 Intangible assets - software Group

	Total £000
<i>Cost</i>	
At beginning of year	47
At end of year	47
<i>Amortisation</i>	
At beginning of year	21
Charge for year	9
At end of year	30
<i>Closing net book amount</i>	
At end of year	17
At beginning of year	26

Notes to the financial statements *(continued)*

11 Intangible assets – software *(continued)*

Company

	Total £000
Cost	
At beginning of year	45
At end of year	45
Amortisation	
At beginning of year	19
Charge for year	9
At end of year	28
Closing net book amount	
At end of year	17
At beginning of year	26

12 Tangible fixed assets

	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost				
At beginning of year	173,740	27,079	342	201,161
Additions	-	304	1,741	2,045
Disposals	-	(57)	-	(57)
Transfers	-	1,408	(1,408)	-
At end of year	173,740	28,734	675	203,149
Depreciation				
At beginning of year	31,296	17,879	-	49,175
Charge for year	1,140	3,554	-	4,694
Disposals	-	(57)	-	(57)
At end of year	32,436	21,376	-	53,812
Net book value				
At end of year	141,304	7,358	675	149,337
At beginning of year	142,444	9,200	342	151,986

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2022: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

Notes to the financial statements *(continued)*

12 Tangible fixed assets *(continued)*

Company	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets Under Construction £000	Total £000
Cost				
At beginning of year	141,439	10,322	319	152,080
Additions	-	279	1,766	2,045
Disposals	-	(5)	-	(5)
Transfers	-	1,155	(1,155)	-
Group Transfers	-	-	(253)	(253)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	141,439	11,751	677	153,867
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of year	20,986	5,812	-	26,798
Charge for year	449	2,028	-	2,477
Disposals	-	(5)	-	(5)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	21,435	7,835	-	29,270
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At end of year	120,004	3,916	677	124,597
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At beginning of year	120,453	4,510	319	125,282
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2022: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

The following are included in the total net book value of tangible fixed assets in respect of assets held under finance leases.

	Group	Company
	Fixtures, fittings and equipment £000	Fixtures, fittings and equipment £000
2023		
Net book value	355	355
	<hr/>	<hr/>
Depreciation	183	183
	<hr/>	<hr/>
2022		
Net book value	806	806
	<hr/>	<hr/>
Depreciation	224	224
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

13 Investments - Company

**Investment in
subsidiary
£000**

Net book value at beginning and end of year

-

On 31 March 2015 the charity forgave, by way of a capital contribution, monies owed by its subsidiary Sheffield International Venues Limited. This capital contribution gave rise to the capitalisation of the historic inter-company debtor of £7,578,000. The investment is reviewed for impairment annually, by considering the net present value of future cash flows of Sheffield International Venues Limited over a period to March 2024. The investment was fully impaired in 2019. This is reassessed annually, and the previous impairment is still deemed appropriate.

On 1 April 2019, all staff of Sheffield International Venues Limited were transferred under the provisions of TUPE to Sheffield City Trust. At the same time, the assets and liabilities of the South Yorkshire Pension Authority scheme were also transferred and as a result of this, Sheffield City Trust took on the historic pension liability by way of a capital contribution. The investment was fully impaired in 2020. This is reassessed annually, and the previous impairment is still deemed appropriate.

The charity holds investments of £100 relating to shares held in subsidiaries.

The entities in which the charity holds beneficial interests are as follows:

	Principal activity	Country of registration	Percentage of ordinary shares held
<i>Subsidiary undertakings</i>			
Sheffield International Venues Limited	Management of sporting and entertainment facilities and provision of catering and conferencing services	England and Wales	100
7 Hills Leisure Trust	Management of sporting and recreational facilities	England and Wales	-*
7 Hills Commercial Limited	Provision of catering services	England and Wales	100**
Phoenix Sports Limited	Operation and strategic direction of English Institute of Sport- Sheffield (EISS)	England and Wales	-*
SIV Enterprises Limited	Management of sporting and recreational facilities, a catering facility and the provision of consultancy services	England and Wales	100***

Notes to the financial statements *(continued)*

13 Investments - Company *(continued)*

In the opinion of the directors the investments in and amounts due from the charity's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

*In respect of Phoenix Sports Limited and 7 Hills Leisure Trust, whilst their corporate structures are limited by guarantee they are treated as investments by the group on the basis of control.

**7 Hills Commercial is held indirectly by 7 Hills Leisure Trust

***SIV Enterprises is held indirectly by Sheffield International Venues Limited

On 29 March 2023, 7 Hills Leisure Trust, 7 Hills Commercial Limited and SIV Enterprises Limited entered into Members Voluntary Liquidations. The registered office for these entities is 4th Floor Fountain Precinct, Leopold Street, Sheffield, S1 2JA.

The registered office for Sheffield International Venues Limited and Phoenix Sports Limited is English Institute of Sport – Sheffield, Coleridge Road, Sheffield S9 5DA.

14 Stocks

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Goods for resale	233	216	-	-
	<u>233</u>	<u>216</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade debtors	883	434	566	251
Other debtors	957	497	3	-
Prepayments and accrued income	33,326	33,390	33,155	33,125
Amounts owed by group undertakings	-	-	2,730	-
Corporation tax	-	35	-	-
	<u>35,166</u>	<u>34,356</u>	<u>36,454</u>	<u>33,376</u>

Prepayments and accrued income includes £32,490,000 (2022: £32,490,000) of grant income due from Sheffield City Council following the disposal of Don Valley Stadium and the restructuring of the finance leasing arrangements. This debtor is expected to be received at the date at which the bonds are settled in 2024 under the funding arrangements referred to in note 18.

The carrying value of trade receivables is considered a reasonable approximation of fair value.

Notes to the financial statements *(continued)*

16 Cash at bank and in hand

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Cash at bank and in hand	6,013	2,968	3,000	1,474
Third party ticket monies	9,036	5,000	-	-
	<u>15,049</u>	<u>7,968</u>	<u>3,000</u>	<u>1,474</u>

Third party ticket monies represent amounts held on behalf of third party event promoters for tickets sold, that will be paid to the promotor when the event has taken place.

17 Creditors: amounts falling due within one year

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Bank loans (see note 18)	200	232	200	232
Obligations under finance leases (see note 18)	199	217	199	217
Bonds	17,604	16,559	17,604	16,559
Trade creditors	1,809	1,335	1,791	1,313
Other creditors including taxation and social security	11,293	9,238	1,251	798
Accruals and deferred income	2,911	2,341	2,199	1,920
Amounts owed to group undertakings	-	-	2,145	2,460
	<u>34,016</u>	<u>29,922</u>	<u>25,389</u>	<u>23,499</u>

Included within other creditors are amounts due to third party event promoters of £9,094,000 (2022: £7,303,000).

Amounts owed to group undertakings are interest free and repayable on demand.

The carrying amount of trade and other payables approximates to their fair value.

18 Creditors: amounts falling due after more than one year

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Bank loans	59	259	59	259
Other loans	3,513	3,513	3,513	3,513
Obligations under finance leases	51	97	51	97
Bonds	-	17,600	-	17,600
Sheffield City Council	122,817	106,258	122,817	106,258
	<u>126,440</u>	<u>127,727</u>	<u>126,440</u>	<u>127,727</u>

The group has four bank loans to fund the purchase of fixed assets at a rate of 4.5%, 3.87%, 3.87% and 4.9% with an outstanding balance of £120,000, £19,000, £37,000 and £83,000 respectively, at the year end.

During 2014 the charity took a five year loan of £3,500,000 from Sheffield City Council for the refurbishment of the Utilita Arena Sheffield at an interest rate, per annum, of 2.0% above the Bank of England's base rate and during 2015 the charity took a five year loan of £1,750,000 from Sheffield City Council for the refurbishment of Ponds Forge International Sports Centre at an interest rate, per annum, of 2.0% above the Bank of England's base rate. These loans were consolidated into a combined loan of £1,575,000 in January 2019 over five years at a rate of 2% above the Bank of England's base rate, with a balance at 31 March 2023 of £1,313,000.

Notes to the financial statements *(continued)*

18 Creditors: amounts falling due after more than one year *(continued)*

In 2020, the charity received a five-year loan of £1,000,000 from Sheffield City Council to assist with cashflow at an interest rate of 2%, above the Bank of England's base rate and during 2021 the charity received a further 4 year loan of £1,200,000 from Sheffield City Council to assist with cashflow at an interest rate of 2% above the Bank of England's base rate. No capital repayments are now required on these loans from Sheffield City Council until August 2024.

Under the terms of the funding agreement between the charity and Sheffield City Council, the council makes payments bi-annually sufficient in value to enable the charity to meet its bond repayment obligations. These receipts are repayable to Sheffield City Council in 2024. We consider the fair value of the bond to be £17,608,000 which represents the amounts due to bond holders within one year to fully settle the liability excluding related issue costs. In 2022, the fair value was considered to be £38,236,000 which reflected the unit value of the bond multiplied by the last market traded value.

The maturity of the bank and other loans is due as follows:

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Within one year	200	232	200	232
In the second to fifth years	3,572	3,772	3,572	3,772
	<u>3,772</u>	<u>4,004</u>	<u>3,772</u>	<u>4,004</u>

On 1 March 2000 the company issued £140,425,000 of bonds at an issue premium of 0.719%.

The bonds attract interest payments of 6.25% paid bi-annually. The bonds are repayable at dates between 2014 and 2024. They are guaranteed by Sheffield City Council.

The bonds are stated net of unamortised issue costs of £873,000 and gross of the unamortised issue premium of £795,000.

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
The maturities of the bonds are as follows:				
Within one year	17,604	16,559	17,604	16,559
In the second to fifth years	-	17,600	-	17,600
	<u>17,604</u>	<u>34,159</u>	<u>17,604</u>	<u>34,159</u>

The maturities of obligations under the leases are as follows:

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Within one year	199	217	199	217
In the second to fifth years	51	97	51	97
	<u>250</u>	<u>314</u>	<u>250</u>	<u>314</u>

Notes to the financial statements *(continued)*

19 Provisions for liabilities

Dilapidation provision – group and company

A provision of £115,000 has been included for the cost of repair work required to one of the group's leased properties, in accordance with the terms of the lease, that is due to come to an end on 17 September 2023.

Deferred tax

	Accelerated tax depreciation £000	Other timing differences £000	2023 Total £000	2022 Total £000
At 1 April 2021	396	(847)	(451)	137
Movement in year	(259)	(314)	(573)	(588)
At 31 March 2022 & 1 April 2022	137	(1,161)	(1,024)	(451)
Movement in year	(105)	822	717	(573)
At 31 March 2023	32	(339)	(307)	(1,024)
Recognised	-	-	-	-
Unrecognised	32	(339)	(307)	(1,024)
	32	(339)	(307)	(1,024)

The deferred tax asset has not been recognised on the grounds that there is insufficient evidence that the asset will be recovered.

20 Analysis of group net assets between funds

	2023			2022		
	Unrestricted (designated and general) £000	Restricted £000	Total £000	Unrestricted (designated and general) £000	Restricted £000	Total £000
Tangible fixed assets	118,491	30,846	149,337	119,644	32,342	151,986
Intangible Assets	17	-	17	26	-	26
Net current assets	16,432	-	16,432	12,618	-	12,618
Liabilities falling due after more than one year	(126,440)	-	(126,440)	(127,727)	-	(127,727)
Provision for liabilities and charges	(115)	-	(115)	-	-	-
Negative goodwill	(6,368)	-	(6,368)	(6,573)	-	(6,573)
Net assets as at 31 March 2023	2,017	30,846	32,863	(2,012)	32,342	30,330

Notes to the financial statements *(continued)*

21 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Operating leases which expire:				
Within one year	119	173	119	173
In the second to fifth years inclusive	272	326	272	326
More than five years	428	493	428	493
	<u>819</u>	<u>992</u>	<u>819</u>	<u>992</u>

At 31 March 2023, the group had commitments to purchase fixed assets amounting to £244,000. This expenditure will be funded by either the essential maintenance grant from Sheffield City Council or the EISS lifecycle fund held by Phoenix Sports Limited.

22 Pension scheme

Defined contribution pension scheme – Group

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £360,000 (2022: £210,000).

Contributions amounting to £39,000 (2022: £35,000) were payable to the scheme and are included in creditors.

Defined benefit pension scheme - Group

The group contributed to a defined benefit pension scheme operated by South Yorkshire Pension Authority. On 31 March 2022, the historic assets and liabilities of the groups South Yorkshire Pension Scheme were subsumed into the Sheffield City Council South Yorkshire Pension scheme. The group was discharged of its net liability on this date. The net liability discharged, included in settlements in the prior year, was £12,957,000. The Trust has no liability to the plan for other entities' obligations.

The information disclosed below is in respect of the whole of the plans for which the group is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

Movements in present value of defined benefit obligation

	2023 Total £000	2022 Total £000
At beginning of year	-	64,505
Current service cost	-	791
Interest cost	-	1,365
Contributions by members	-	133
Benefits paid	-	(248)
Settlements	-	(66,546)
	<u>-</u>	<u>-</u>
At end of year	<u>-</u>	<u>-</u>

Notes to the financial statements *(continued)*

22 Pension scheme *(continued)*

Movements in fair value of plan assets

	2023 £000	2022 £000
At beginning of year	-	48,570
Expected return on plan assets	-	1,023
Actuarial gains	-	3,677
Contributions by employer	-	434
Contributions by members	-	133
Benefits paid	-	(248)
Settlements	-	(53,589)
	<hr/>	<hr/>
At end of year	-	-
	<hr/> <hr/>	<hr/> <hr/>

Expense recognised in the statement of financial activities

	2023 £000	2022 £000
Current service cost	-	791
Liabilities extinguished on settlement	-	(66,546)
Assets distributed on settlement	-	53,589
Interest on defined benefit pension plan obligation	-	1,365
Expected return on defined benefit pension plan assets	-	(1,023)
	<hr/>	<hr/>
Total	-	(11,824)
	<hr/> <hr/>	<hr/> <hr/>

The expense is recognised in the following line items in the statement of financial activities:

	2023 £000	2022 £000
Staff costs	-	(12,166)
Other finance (income)/costs	-	342
	<hr/>	<hr/>
Total	-	(11,824)
	<hr/> <hr/>	<hr/> <hr/>

The total amount recognised in the statement of financial activities in respect of actuarial gains is £nil (2022: £3,677,000 gain).

Notes to the financial statements *(continued)*

22 Pension scheme *(continued)*

The fair value of the plan assets and the return on those assets were as follows:

	2023 £000	2022 £000
Equities	-	-
Government debt	-	-
Corporate bonds	-	-
Property	-	-
Other	-	-
	<hr/>	<hr/>
Total	-	-
	<hr/> <hr/>	<hr/> <hr/>
Actual return on plan assets	-	4,700
	<hr/> <hr/>	<hr/> <hr/>

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories.

Principal actuarial assumptions (expressed as weighted averages) at the period end were as follows:

South Yorkshire pension scheme	2023 %	2022 %
Discount rate	-	2.7
Expected rate of return on plan assets	-	2.7
Rate of increase in salaries	-	4.2
Rate of inflation	-	3.7
Rate of increase in pensions	-	3.2

History of plans

The history of the plans for the current and prior periods is as follows:

Balance sheet

South Yorkshire pension scheme	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Present value of scheme liabilities	-	-	(64,464)	(53,737)	(56,576)	(51,700)
Fair value of scheme assets	-	-	48,570	40,688	43,435	41,748
Present value of unfunded defined benefit obligations	-	-	(41)	(40)	(54)	(55)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deficit	-	-	(15,935)	(13,089)	(13,195)	(10,007)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Experience adjustments

	2023 %	2022 %	2021 %	2020 %	2019 %	2018 %
Experience losses/(gains) on scheme liabilities as a percentage of scheme liabilities	-	-	14.1	(8.4)	6.1	(7.1)
Experience gains/(losses) on scheme assets as a percentage of scheme assets	-	-	14.2	(8.7)	3.0	1.5
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

22 Pension schemes *(continued)*

The group expects to contribute at a rate of 17.5% in respect of active members to its defined benefit plan in the next financial year, the assets and liabilities of which have been subsumed within the Sheffield City Council South Yorkshire Pension Authority scheme.

Defined contribution pension scheme - Company

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £360,000 (2022: £210,000). Contributions amounting to £39,000 (2022: £35,000) were payable to the scheme and are included in creditors.

Defined benefit pension scheme - Company

The charity contributed to a defined benefit pension scheme operated by South Yorkshire Pension Authority. On 31 March 2022, the historic assets and liabilities of the groups South Yorkshire Pension Scheme were subsumed into the Sheffield City Council South Yorkshire Pension scheme. The group was discharged of its net liability on this date. The charity has no liability to the plan for other entities obligations.

The information disclosed below is in respect of the whole of the plans for which the company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

Movements in present value of defined benefit obligation

	2023	2022
	£000	£000
At beginning of year	-	64,505
Current service cost	-	791
Interest cost	-	1,365
Contributions by members	-	133
Benefits paid	-	(248)
Settlements	-	(66,546)
	<hr/>	<hr/>
At end of year	-	-
	<hr/> <hr/>	<hr/> <hr/>

Movements in fair value of plan assets

	2023	2022
	£000	£000
At beginning of year	-	48,570
Expected return on plan assets	-	1,023
Actuarial gains	-	3,677
Contributions by employer	-	434
Contributions by members	-	133
Benefits paid	-	(248)
Settlements	-	(53,589)
	<hr/>	<hr/>
At end of year	-	-
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

22 Pension schemes *(continued)*

Expense recognised in the statement of financial activities

	2023 £000	2022 £000
Current service cost	-	791
Liabilities extinguished on settlement	-	(66,546)
Assets distributed on settlement	-	53,589
Interest on defined benefit pension plan obligation	-	1,365
Expected return on defined benefit pension plan assets	-	(1,023)
Total	-	(11,824)

The expense is recognised in the following line items in the statement of financial activities:

	2023 £000	2022 £000
Staff costs	-	(12,166)
Other finance income	-	342
Total	-	(11,824)

The total company amount recognised in the statement of financial activities in respect of actuarial gain is £nil (2022: £3,677,000 gain).

The fair value of the plan assets and the return on those assets were as follows:

	2023 Fair value £000	2022 Fair value £000
Equities	-	-
Government debt	-	-
Corporate bonds	-	-
Property	-	-
Other	-	-
Total	-	-
Actual return on plan assets	-	4,700

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories.

Nature of benefits

On retirement, individuals that were members of the defined benefit pension scheme prior to April 2008 receive a cash lump sum on retirement, which they can elect to increase to a maximum of 25% of their pensionable pay and will receive the remainder of their pension in equal instalments over the remainder of their life, with 50% of their annual pension then being paid to their spouse. Members of the scheme joining after April 2008, do not automatically receive a lump sum on retirement, but can elect to receive up to 25% of their pensionable pay, and will receive the remainder of their pension in equal instalments over the remainder of their life, with 50% of their annual pension then being paid to their spouse.

Notes to the financial statements *(continued)*

22 Pension schemes *(continued)*

Other entities responsibilities for governance of the plan

The LGPS is a funded, statutory, public sector pension scheme administered, managed and funded at a local level. Sheffield City Trust is an admission body for the purpose of the LGPS and the scheme in which it participates further to admission agreements entered into with the relevant Administering Authority.

The Administering Authority governs each regional LGPS with the support from the Local Pension Board and the Scheme Advisory Board. Nonetheless, it is the Administering Authority who has the primary responsibility for the management and administration of its LGPS fund.

Under relevant legislation and policy the underlying investment fund of each Administering Authority is consolidated into a larger regional fund under a single investment body. The funds administered by the South Yorkshire Pension Authority are consolidated into the Border to Coasts fund.

The Local Pension Board assists the Administering Authority to secure compliance with the LGPS regulatory framework and generally to ensure the efficient and effective governance and administration of the LGPS. The Scheme Advisory Board is a single Board existing at national level with responsibility for providing advice to the Secretary of State on the desirability of making future changes to the LGPS. The Board also provides advice to the Administering Authority and Local Pension Board in relation to administration and management of the LGPS and its funds.

In addition to the above, the Pensions Regulator is responsible for setting standards of governance and administration in public service pension schemes and has extended regulatory oversight of such schemes.

23 Directors and key management

Remuneration amounting to £489,000 (2022: £468,000) was paid to directors and other key management during the year. In addition, the charity made contributions of £56,000 (2022: £58,000) to defined benefit schemes in respect of the directors and other key management.

24 Accounting estimates and judgements

In preparing these financial statements, the trustees have had to make the following judgements:

Determine whether there are indicators of impairment of the charity's non-current assets. The investments were fully impaired in the previous years and there is no indication in the current financial year that would result in a reversal of this impairment.

Going Concern. As disclosed in note 1, the financial viability of the Trust is dependent on both continued support from the council (working capital and venue investment) and to achieving the trading assumptions in the business plan to December 2024. The operating environment presents a number of challenges which could contribute to the Trust failing to achieve its operational cash flow forecasts. The plan is monitored closely by the Trustees.

Other key sources of estimation uncertainty are:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Defined benefit pension liabilities are calculated using assumptions and estimates over key metrics and drivers of change. The charity relies upon an expert third party, an actuary, to calculate the impact of these assumptions upon any pension liability. Management assesses the adequacy of assumptions used on an annual basis. Sensitivity analysis, together with assumptions used, have been included in note 22.

25 Post balance sheet events

After the year end, the charity gave notice in respect of its operation and management of Westfield Sports Centre. As such, the operation and management of this venue will pass to another operator from January 2024.

SHEFFIELD CITY TRUST

England & Wales - Charity number 700520

Accounts

Sheffield City Trust

Annual report and consolidated
financial statements

Registered number 2164600

Charity Registration Number 700520

Year ended 31 March 2022

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Trustees' and directors' report (including strategic report)

The trustees, who act as directors for the purpose of company law, are pleased to present their report and financial statements for the year ended 31 March 2022.

Purpose of the charity

The objects of the charity are as detailed in the charity's governing document, its Memorandum of Association.

- 1 An object of the charity is to promote the benefit of the inhabitants of South Yorkshire and surrounding counties by the provision of facilities for recreation and leisure time occupation in the interest of social welfare. The charity has continued in its policies of providing recreational and other leisure facilities of a high standard and as economically as possible. The charity seeks to encourage high levels of use by the community with policies that encourage wide public access. There has been no material change in these policies over the relevant period.
- 2 A further object of the charity is to promote and preserve good physical and mental health. The objective is pursued by encouraging high levels of use of recreational and leisure facilities by the community. In addition, the charity has a policy of carrying out ad hoc initiatives and giving financial support to appropriate projects which has been continued during the year.
- 3 Further objects of the charity include the encouragement of the arts and the acquisition, preservation, restoration and maintenance of buildings of historic and architectural interest in Sheffield.

Activities

In furtherance of the charity's object to provide facilities for recreation and other leisure time occupations Sheffield City Trust operated the following facilities directly in the year:

- Beauchief Golf Course
- Birley Golf Course
- Concord Sports Centre
- Heeley Swimming Pool and Gym
- Hillsborough Leisure Centre
- iceSheffield
- Ponds Forge International Sports Centre
- Sinfin Golf Course
- Springs Leisure Centre
- Tapton Park Golf Course
- Tinsley Park Golf Course
- Westfield Sports Centre

The charity has continued to operate the following facilities through Sheffield International Venues Limited:

- English Institute of Sport – Sheffield
- Utilita Arena (formerly Sheffield Arena)
- Sheffield City Hall

Sheffield International Venues Limited also acts as principal for all commercial activity within the above venues.

Any profits made by Sheffield International Venues Limited, where the company has sufficient distributable reserves, are passed back to the charity by way of a gift aided payment.

The operation of leisure facilities continues to be the primary way in which the two main objects of the charity are achieved. The trustees ensure that participation continues to grow and benchmark attendance against national standards. Prices are set at a level that encourages use by as many people as possible and many facilities are full at peak times.

Trustees' and directors' report (including strategic report) (continued)

Activities (continued)

Beginning in March 2021, England began lifting restrictions associated with the Covid-19 lockdown (roadmap), with a phased removal of all legal limits on social contact. As a trust, we aligned our activities to this roadmap. Although we have seen customers return there remains caution in many activities for example Gym use, Group Exercise and Events. However, Aquatics and Ice activities have seen a really positive take up by individuals and families, and our learn to swim/skate programmes have also been very popular. A significant loss has been Gala dinners as companies did not want large employee celebrations during the winter, given continuing Covid uncertainty. Shortages in supplies, the so called 'Pingdemic' and the challenges we face with recruitment and more recently the impact of Inflation (Cost of Living) have required a responsive, adaptive and flexible approach over the past 12 months.

As a trust we have recognised the wide impact that Covid-19 has had on society and the communities that we serve. Prior to the start of the financial year, we implemented concessionary rates on all activities to try to alleviate the financial burden to an identified audience that typically would welcome this discount. The 40% discount is applied to all activities and has seen a very good uptake, specifically from families of children on free school meals.

The English Institute of Sport – Sheffield continues to be the home for GB Boxing, GB Para Badminton, GB Para Table Tennis and GB Goalball along with Sheffield Hallam University's Sport and Physical Activity academic learning. At Ponds Forge International Sports Centre, the professional basketball team, the Sheffield Sharks extended their training and Basketball League fixtures whilst they wait for their home court to be finalised. Ponds Forge was also able to host the British Swimming Championships. The Utilita Arena is the home of the Elite Ice Hockey League team, the Sheffield Steelers.

The charity continues to partner with the National Centre for Sport and Exercise Medicine in Sheffield ('NCSEM') where clinical facilities are co-located with facilities for sport and exercise. At Concord Sports Centre NHS patients are treated in an environment which promotes physical activity as medicine. The centre also promotes physical activity as a prime preventer of ill health with exit routes for patients into our Exercise Referral scheme.

Throughout 2021-22 the activities provided in venues continued to carefully follow risk assessments aligned to the Covid-19 guidelines set out by the government, with some reductions in numbers at different stages. In July the leisure pool at Ponds Forge was closed due to essential maintenance work, permanently removing the flumes, bringing forward other planned work and refreshing the whole experience. This work was completed with Surf City opening to the public in January. We were able to move activities to other pools and extend the offer at Hillsborough Leisure Centre to reduce the financial/activity impact. Surf City has been well received by our customers since its reopening.

Not all our events have returned and of those that have many have been with reduced competitor and spectator numbers. This led to reductions in catering income.

Golf has continued in its popularity, as it allows exercise while outside and socialising with friends. This has had a positive effect on the use of all 5 of the charity's courses. There were some restrictions in the early part of the year that impacted on catering and secondary spend, but these are no longer in place.

The Sheffield City Hall and the Utilita Arena Sheffield reopened in early September 2021 following 18 months of closure due to the Covid-19 pandemic. Upon reopening, despite several challenges including labour and resource supply issues, as well as the ongoing impact of the pandemic and restrictions associated with this, the 6 months to 31 March 2022 saw the two venues host 271 events and welcome over 444,000 fans.

The venues delivered a wide and varied arts and entertainment programme hosting some of the most popular acts in music, comedy and theatre. Opera and ballet also featured as well as the return of the Sheffield International Classical Concert Season featuring both international and domestic orchestras. Community events have always been a major part of the charity's programme and these returned to the venues and included the local amateur dramatic society, Manor Operatic's pantomime at Christmas that was attended by over 28,000 local residents.

Elite League Ice Hockey also returned as a major part of the events programme with the ongoing partnership with the Sheffield Steelers. This season, together with the Steelers, the Utilita Arena hosted 35 games and welcomed over 230,000 fans, predominantly from the local Sheffield area. The International Ice Hockey Federation (IIHF) have recently reported that the venue was the 6th most attended ice hockey stadium in Europe moving from a pre pandemic position of 28th.

Trustees' and directors' report (including strategic report) (continued)

Activities (continued)

Our community development activities have also seen significant challenge due to Covid restrictions. Existing work reaching Care Home residents across the city has continued through the pandemic with bespoke digital activities and innovative playing card based initiatives being delivered by Care Home staff in lieu of our own colleagues being able to enter premises.

Supporting hard-to-reach communities became ever more important for the Charity. We delivered a Learn to Swim programme for 400 children, each eligible for free school meals, within the £2.7m DfE Holiday Activities and Food (HAF) programme. This undertaking guaranteed that every child will learn to swim and provided each participant with a swimming starter pack (swimming costume, sports bottle and towel) as well as a meal each day as part of the programme's aim to tackle hunger issues during the school holidays.

The charity does not set targets for grant giving as it is a comparatively small part of the work undertaken. As stated above, the provision and management of the facilities is the primary method of meeting the objects of the charity. The trustees monitor the level of funds in the designated fund (see note 4 of the financial statements) in order to ensure that they make best use of the limited income available and do make grants to community groups in Sheffield in order to support their work promoting sports and physical activity within their communities.

In measuring achievements against the above objectives, the charity uses financial measures, a review of which is given below. In addition to financial performance measures, the charity monitors the performance of its venues using non-financial key performance indicators that give information regarding attendance at each venue by activity, and split attendances by age and gender. These performance indicators are monitored against targets and previous years' results.

Financial Review

The funding agreements for the venues between the charity and Sheffield City Council and Derby City Council mean the charity is entitled to receive income from these councils to fund its operating activities which in the year amounted to £7,589,000 (2021: £12,186,000).

When considering the financial performance of the charity the trustees examine the results of each facility that the charity operates. In 2021/22 financial performance and attendance levels from community usage were below the levels being achieved before the Covid-19 pandemic which, whilst disappointing, is understandable given the closure of venues for a significant part of the year. Whilst most venues have reopened, in one form or another, at some point during the year, attendances, with the exception of golf, have been lower than normal due to operating restrictions, customer confidence and also continuing difficult economic circumstances for the majority of users. The charity has sought to minimise the impact of the closures through careful monitoring of costs and taking advantage of available government funding such as the Coronavirus Job Retention Scheme, the Culture Recovery Fund, lockdown grants and business rates relief. The group has negative unrestricted general reserves at 31 March 2022 of £2,517,000 (2021: negative £3,087,000). The Trustees are confident that over future periods, as business continues to move towards pre Covid levels, it will be possible to gradually move towards having positive unrestricted general reserves as was anticipated when the charity was established.

Total incoming resources amounted to £33,077,000 (2021: £25,820,000) and total resources expended amounted to £18,998,000 (2021: £28,300,000) resulting in net incoming resources before tax of £14,079,000 (2021: outgoing resources £2,480,000). Net incoming resources includes a credit of £12,957,000 in respect of settlement of the South Yorkshire Pension Scheme, following the transfer of the scheme's assets and liabilities to Sheffield City Council on 31 March 2022.

The results of the charity's trading subsidiary, Sheffield International Venues Limited, its subsidiary SIV Enterprises Limited, the subsidiary charity, 7 Hills Leisure Trust and also Phoenix Sports Limited are set out in note 2 to the financial statements.

The principal activities of Sheffield International Venues Limited in the year under review were the management of the facilities to deliver commercial income. These activities are in support of the charity's activities such as providing public catering in the buildings and supporting elite athletes to use the spaces when not in use by the general public. Sheffield International Venues also manages unrelated commercial activity that raises the profile of the charity and its facilities and generates income which is used to support the core charitable activities.

Following transfer of the operation of remaining venues to Sheffield City Trust in the prior year, 7 Hills Leisure Trust has ceased trading and the objects of the charity in the year were to allow the orderly wind up of the charity.

The activities of Sheffield City Trust in the year under review includes the operation of leisure facilities and golf courses.

Trustees' and directors' report (including strategic report) (continued)

Business review

The trustees consider the general trend in financial performance of the venues to be satisfactory considering the general economic climate and the significant impact that Covid-19 continued to have on the business in the first half of the financial year. All venues have now reopened, and activities continue to grow towards their pre pandemic levels.

Sheffield City Council has confirmed its support for the charity and discussions with the council continue in a robust, constructive atmosphere. Sheffield City Trust has entered into a legally binding agreement with Sheffield City Council to ensure it has sufficient funds to continue to at least August 2024. The support provided gives the certainty necessary for the trustees to develop a plan to continue to deliver services at its current levels for the foreseeable future. The trustees believe investment can be made in the facilities in a financially sustainable way in partnership with Sheffield City Council and are working with Sheffield City Council on the medium to long term strategy.

As disclosed in note 1, the financial viability of the charity is dependent on both continued support from the council (working capital and venue investment) and to achieving the trading assumptions in the business plan to August 2024. We believe that the forecasts, including revenue growth and cost assumptions, included in the plan are achievable, subject to the required investment from Sheffield City Council. The management team continues to meet on a monthly basis to review performance against the budget and, where there are shortfalls, looks at actions to address these, including the reduction of costs where necessary. Performance year to date is ahead of budget.

Based on the above the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis however, they note a material uncertainty in respect of the position beyond 2024 (refer to note 1). In the event that the Trust does cease trading post August 2024, the trustees intend on a solvent wind up of the business.

Our pricing policy

Prices are set to enable as many people as possible to use the facilities while ensuring that income generated is sufficient to cover the costs of the charity. General economic trends are currently showing significant cost rises across much of our key expenditure items therefore, as far as possible, a higher level of income must be generated by use of the facilities from both core charitable activities and commercial activities, managed by another company within the group. However, it is essential that prices are affordable and in no way create a barrier to use of the facilities by any of the people of Sheffield and concessionary prices are used to ensure that the least wealthy are able to attend.

The trustees review pricing for all charitable activities on an annual basis in order to deliver the best possible facilities to all citizens of Sheffield at affordable prices.

Investment powers and policy

The trustees balance the needs of the organisation to have funds available for the operations of the charity and the need to maximise investment returns. At present interest rates are low and little additional income is gained by the use of deposit accounts, but the bank accounts of the charity and its subsidiaries are managed to maximise the income earned.

No funds are invested in non-cash assets such as property or shares. All property owned by the charity is in order to deliver services directly to the beneficiaries. The trustees believe that the level of cash and bank assets owned is insufficient for the charity to consider investment in stock, shares or bonds, particularly in the current volatile climate for investments.

Trustees' and directors' report (including strategic report) *(continued)*

Pension Scheme

On 1 April 2019, the employees of Sheffield International Venues Limited, 7 Hills Leisure Trust and employees of SIV Enterprises Limited based at Tapton Golf Course, were transferred under the provision of TUPE to Sheffield City Trust.

The charitable group provided a defined benefit pension scheme available to all employees of the charity and Sheffield International Venues Limited until September 2009. This scheme is still accruing benefits for all employees whose employment commenced before 1 September 2009, but it is closed to new members. The defined benefit scheme is provided by the group's contribution to the South Yorkshire Pension Authority scheme ("SYPA"). Benefits continue to accrue for the employees of Sheffield International Venues Limited whose employment commenced before 1 September 2009, following their transfer, under the provisions of TUPE, to Sheffield City Trust on 1 April 2019.

Those employees of the group who transferred into 7 Hills Leisure Trust on 2 April 2012 or December 2014 and subsequently into Sheffield City Trust on 1 April 2019, who were already members of the SYPA scheme continue to be members. Those employees of the group who transferred into the 7 Hills Leisure Trust from Derby City Council under the provisions of TUPE remained members of the Derbyshire Pensions Authority scheme ("DPA") until their transfer to Sheffield City Trust on 1 April 2019 at which point they became members of the SYPA scheme. Individuals were given the option to transfer their benefits from the DPA scheme to the SYPA scheme or leave them in the DPA scheme. 7 Hills Leisure Trust ceased its membership of the DPA scheme on 1 April 2019.

The employees of SIV Enterprises Limited who were members of the North Yorkshire Pension Authority ("NYPA") scheme having transferred into the company from Scarborough Borough Council under the provisions of TUPE, transferred back to Scarborough Borough Council on 1 February 2021 under the provision of TUPE. SIV Enterprises Limited ceased its membership of the NYPA scheme on this date. Those employees of SIV Enterprises Limited who transferred into the company from Chesterfield Borough Council remained members of the DPA scheme until their transfer to Sheffield City Trust on 1 April 2019 at which point they became members of the SYPA scheme. Individuals were given the option to transfer their benefits from the DPA scheme to the SYPA scheme or leave them in the DPA scheme. SIV Enterprises Limited ceased its membership of the DPA scheme on 1 April 2019.

All new employees since 1 September 2009 who didn't join under the provisions of TUPE have been eligible to join a defined contribution, group money purchase scheme. Since 1 January 2014 the group has provided pensions under the auto-enrolment provisions and all new employees are automatically enrolled into the group money purchase scheme unless they decide to opt out.

In common with many defined benefit pension schemes, the group's scheme was in deficit at a consolidated level. However, on 31 March 2022 the group entered into an agreement with Sheffield City Council in which the historic pension assets and liabilities transferred to Sheffield City Council, thus removing the deficit from the balance sheet of Sheffield City Trust. Sheffield City Trust will continue to pay contributions into the scheme for all eligible employees and the future benefits of those employees are unaffected by the change.

Reserves policy

The reserves of the charity are split between restricted and unrestricted funds. It is the policy of the trustees to spend unrestricted reserves in pursuit of the charitable objectives in a way that maximises their value in meeting those objectives. At the end of the financial year, the charity had consolidated unrestricted funds of negative £2,012,000 (2021: negative £18,510,000) and restricted funds of £32,342,000 (2021: £30,688,000).

The restricted funds of the charity at 31 March 2022 are set out in note 5 of the financial statements.

The level of unrestricted reserves at the end of the financial year of negative £2,012,000 (2021: negative £18,510,000) includes a net pension deficit of £nil (2021: £15,935,000 deficit). The level of free reserves at the end of the financial year, taking into account the pension deficit, was negative £7,687,000 (2021: negative £10,369,000). Historically, the trustees believed it was appropriate to hold reserves in order to meet the future depreciation of capital assets (other than restricted assets) and to provide some "buffer" should future operations fall short of financial budgets and that an appropriate level of reserves would be sufficient to support operations for six months.

However, as a result of the Covid-19 pandemic, which continues to have some impact on the charity's ability to address the reserves position, as well as the current rises being seen in the general cost of living, impacting on how individuals choose to spend their disposable income the trustees have reviewed the charity's reserves policy. The trustees have recently signed a new Funding Agreement with Sheffield City Council which provides for the City Council to meet existing and future liabilities to the extent that they aren't financed by future operations and, taking this and the future challenges described above into consideration, the trustees now consider it more appropriate to

Trustees' and directors' report (including strategic report) (continued)

Reserves policy (continued)

target a neutral reserves position. To achieve this the charity will look to drive an increase in footfall across all venues and maximise attendances, whilst continuing to grow the programme of events across both the entertainment and sporting venues back to pre-pandemic levels. For further information refer to 'plans for future periods'.

The legally binding funding agreement with Sheffield City Council confirming support for the group to 31 August 2024, together with the positive cash balances held by the charity, provide the trustees with the necessary comfort to continue trading. The Trustees believe that, in light of the provisions of the Funding Agreement, the level of reserves is satisfactory at present.

Plans for future periods

The trustees considered the future of the charity and how it might achieve its reserves target and deliver its charitable objects in the long term. It was determined that the beneficiaries would be best served if all the charitable activities within the group were delivered by one rather than two charities and hence all charitable operations are now managed by Sheffield City Trust and it is the intention to wind up 7 Hills Leisure Trust within the next financial year. In doing this the Trustees believe that the streamlined group structure will drive further efficiencies and ultimately improve the resources available to deliver the charitable objects of both charities.

Whilst all of the venues have now reopened following the restrictions imposed by the Covid-19 pandemic, with the final venues, the Utilita Arena and Sheffield City Hall, opening in September 2021, activity levels have still not reached the pre Covid levels. It is expected that activity levels will continue to grow as consumer confidence grows and there is already a significant calendar of events booked in at both entertainment and leisure venues.

As stated above, the trustees are working with Sheffield City Council on longer term funding certainty and have agreed with Sheffield City Council that the charity will continue to operate the facilities directly, and via its group companies, until at least 31 August 2024 and jointly look to invest in them as funding permits. This agreement gives a degree of certainty and enables longer term planning and programme development.

The discussions with the council have included the strategy of the charity to continue to encourage the director of Sheffield International Venues to pursue such commercial activities as can be performed in and around Sheffield as will bring in additional income without reducing the ability of the charity to provide services to its beneficiaries.

The performance of the group in the first quarter of 22/23 was satisfactory, when taking into account the continued impact of Covid-19 and the challenging general economic climate. It is the intention of the trustees to continue to invest in facilities as much as possible and to maximise attendances, as much as possible during these challenging economic times.

Trustees' and directors' report (including strategic report) (continued)

Reference and administrative details

Charity Registration Number: 700520
Company Registration Number: 2164600

Registered Office

23 Carbrook Hall Road
Sheffield
S9 2EH

Secretary

LM Gavin

Advisers

Solicitor

Hemingways Solicitors Limited
11 Westbourne Road
Sheffield
S10 2QQ

Auditor

Crowe U.K. LLP
The Lexicon
Mount Street
Manchester
M2 5NT

Banker

Barclays Bank Plc
10-12 Pinstone Street
Sheffield
S1 2HN

Directors and directors' interests

The trustees, who also act as directors, who held office during the year and after the year end are as follows:

P Abel
H Best
L Clarke
D Grey MBE
G Moore
A Pettifer MBE
R Plews
P Taylor
J Warner

The charity has a Group Audit Committee and Mr J Warner is chairman of that Group Audit Committee. The Group Audit Committee members are Mr J Warner and Mr R Plews. Cllr M Iqbal was a member of the Group Audit Committee until he resigned on 19 July 2021. Cllr M Iqbal was also a director of Sheffield International Venues Limited, also resigning as a director on 19 July 2021.

None of the trustees who held office at the end of the financial year had any disclosable interest in debentures of the charity or in any shares or debentures of any other group company.

According to the Register of Trustees' Interests, no rights to subscribe for debentures of the charity or in any shares or debentures of any other group company were granted to any of the trustees or their immediate families or exercised by them during the year.

Employees

The group has a policy of offering job opportunities to persons with disabilities where possible.

The group has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues.

The senior employee of the group is:

Chief Executive Andrew Snelling

Insurance for trustees and officers

Insurance for trustees and officers against liabilities in relation to the group, as permitted by the Companies Act 2006, is maintained under a policy held by Sheffield City Trust. The cost of this amounted to £14,000 (2021: £10,000).

Trustees' and directors' report (including strategic report) (continued)

Structure, governance and management

Sheffield City Trust is a company limited by guarantee and a registered charity and is governed by its Memorandum & Articles of Association. The trustees are the members of the charity under company law. The charity is domiciled and its principle place of business is in the UK.

The trustees recognise the importance of communication with beneficiaries and will issue regular newsletters and updates on specific projects and overall performance. These reports may also include some summary financial information from the financial statements of the charity.

Organisation of the charity

At present the charity has 9 trustees. It aims to be governed by a board of between 12 and 20 trustees and has been looking at ways to attract more trustees. This had taken a brief pause while the new funding agreement with Sheffield City Council was negotiated, but the trustees will consider the appropriate way forward now that the agreement is in place. Trustees are attracted based on advertising and introductions and are selected based on key skills. An induction process is carried out and all new trustees are invited to meet with the chairman and senior executives in order to better understand the operations of the charity. Trustee training is made available on an ad hoc basis when a need is identified.

During the year, the charity had five wholly owned subsidiaries, Sheffield International Venues Limited, SIV Enterprises Limited, Phoenix Sports Limited, a company limited by guarantee, which has complementary objects, 7 Hills Leisure Trust, a registered charity, with independent trustees, but of which the charity is the sole member and 7 Hills Commercial Limited, which was non-trading during the year.

Sheffield International Venues Limited and its wholly owned subsidiary, SIV Enterprises Limited, operate all commercial activities in the venues in order to support the charitable activity. It is the intention of the trustees to support the orderly wind up of 7 Hills Leisure Trust, SIV Enterprises Limited and 7 Hills Commercial Limited within the next 12 months.

The overall management and control of the charity's activities and finances are vested in the Chief Executive, Andrew Snelling. The board of the charity meets monthly and Mr Snelling attends all meetings, reporting on all key operational and financial matters. There is a Group Audit Committee which meets as required and not less than three times in each financial year. There is a Charitable Purposes Committee which focuses on the work of the charity outside the venues.

Trustee induction and training

New trustees undergo an induction process in which they spend some time with the chairman and chief executive and then the other senior managers. They will also visit the various facilities of the charity in company with a senior manager and familiarise themselves with the operations of the charity and its subsidiaries.

Each trustee is invited to take a special interest in one facility in order to get an in depth understanding of that part of the charity's operations and to be able to act as a point of contact for senior management. As with any special skills that any trustees may have, this arrangement adds to the effectiveness of the trustee board but doesn't change the responsibility of all trustees for all aspects of the governance and activities of the charity.

Relationship with other charities and organisations

The charity co-operates closely with Sheffield City Council in pursuit of its charitable objectives. The relationship is conducted in accordance with formal funding agreements. A councillor and an officer of the council are invited to attend as observers at each meeting of the board. The council had one nominee director on the board of Sheffield International Venues Limited until his resignation on 19 July 2021. The council reserves the right to reappoint a director in the future.

Pay policy for senior staff

The trustees, who act as directors for the purpose of company law, consider that the board of trustees and the chief executive comprise the key management personnel of the charity in charge of directing and controlling and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received any remuneration in the year.

The pay of the chief executive is reviewed annually by the board of trustees. In view of the nature of the charity, the trustees benchmark against pay levels in other leisure trusts and other similar organisations. All such organisations are different, and the trustees are aware of the organisational complexities of the group and take this into consideration when comparing with larger charities. The trustees also look at similar job roles in the local, Sheffield, economy and other local charitable organisations to ensure that salaries are reasonable within the market.

Trustees' and directors' report (including strategic report) (continued)

Management of risk

The trustees are responsible for ensuring the effective management of risk including a system of internal financial control which is maintained by the charity. They consider risk management to be an important part of their role and endeavour to follow best practice.

During the year, the management teams at each venue have again discussed the risks identified with the members of the senior leadership team and have ensured that proper controls are in place within their venue. They have also considered each of the objectives set for the venue in the corporate strategy of the charity to ensure that the risks are linked into the operational objectives and that the process of risk mitigation is embedded in the action plans to deliver the objectives. This work of monitoring and mitigating risks within the venues continues to be a major work of the general managers at each venue. The senior leadership team regularly considers corporate risk in its meetings and updates the risk register accordingly. The Group Audit Committee reviews this process at each of its meetings as a standard agenda item providing additional checks and specific skill on top of the trustees' own monitoring process.

The trustees believe one of the key risks to the Charity and group to be the ability of Sheffield City Council to provide adequate funds to maintain the buildings in the long term. The trustees of the parent charity have entered into an agreement with Sheffield City Council ending in August 2024 in order to give greater certainty of future funding and additional funding has been provided to cover the cost of essential maintenance work on the venues.

The trustees also believe the general economic climate to be a major risk to the group, particularly as a result of Covid-19 which resulted in the temporary closure of venues and also in respect of the general rise in cost of living. The general rise in cost of living following the impact of the Covid-19 pandemic, is impacting on individuals' disposable incomes and as such will impact on the ability of customers to pay for the services offered by the company, as they choose where to spend what disposable income they have.

Rising prices are also considered a major risk to the group, in particular rising energy costs, as energy costs make up a significant part of the charity's overall cost base, however these costs are managed to the extent possible through fixed price contracts.

The trustees continue to monitor the financial performance of the group very closely. The trustees anticipate that now that the entertainment venues are fully reopened and large-scale events are now permitted, business will continue to grow and return to normal levels. The entertainment venues, in particular, have a strong diary of future events already scheduled. Given the support provided by Sheffield City Council to the Sheffield City Trust group, the trustees continue to support the going concern basis.

The trustees have identified a number of other risks which they consider to be important to the business and have action plans to mitigate against them, but believe that the risks considered above are the most significant and their future strategy addresses them directly.

Public Benefit

The trustees are aware of their duty to ensure that the charity provides a public benefit. Each year the prices charged for the charitable activities within each venue are reviewed by the trustees in order to ensure that they are reasonable and affordable to the vast majority of the citizens of Sheffield. The trustees are particularly proud of their Fitness Unlimited membership package which provides high quality fitness membership at very good value for money, the excellent coached activity programme which provides affordable access to swimming, gymnastics and trampolining lessons amongst others and of the low prices of the Sheffield International Concert Season, all of which have been significantly impacted by Covid-19 in the current financial year. In increasingly difficult economic times it is becoming difficult to maintain access to so many citizens. The trustees believe that the high levels of customer service, for which the group has won awards, demonstrates an ethos of providing the highest possible standards to all.

The charity is the only member of 7 Hills Leisure Trust and ensures that 7 Hills Leisure Trust is operated for the public benefit.

Trustees' and directors' report (including strategic report) (continued)

Stakeholder engagement and section 172 statement

The group operates in an environment which involves engagement with a wide network of stakeholders. The trustees understand that its relationships with stakeholders evolve and change over time. To respond to this, the Board keeps itself informed of its key stakeholders' interests through a combination of both direct and indirect engagement.

The trustees have regard to the interests of their stakeholders when discharging their duties. The trustees have identified the key stakeholders as its customers, people (employees), suppliers and the communities in which it operates. This section describes how the Board engages with its key stakeholders and how it considers their interests when making decisions. Further, it demonstrates how the board takes into consideration the long-term impact of its decisions, its desire to maintain a reputation for high standards of business conduct, and its requirement to act fairly between members of the group.

Customers

The trustees recognise that the importance of creating long lasting relationships with our customers and partners is vital to the way we do business.

For example, through the quality of the experience provided in venue and interaction with our general customer base whilst in our venues, through the GP exercise referral programme that we offer and work we do with our customers to benefit the local community, we develop and build lasting relationships which work to the benefit of all parties. Our reputation and success are built on the relationships we create, and we ensure that we continue to build on these for the future.

In addition, we carry out formal and informal feedback with customers that use our venues, using the results of this feedback to further develop relationships and make changes to the business where it is considered appropriate to do so.

In making strategic business decisions, the trustees consider their impact on customers, for example when considering the pricing structure, and aim to make business decisions that are beneficial and in the interests of the customer base.

People

Our people are fundamental to the charity's success. We recognise that their opinions count towards improving the workplace and the continued performance of the business.

The charity has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues. We engage with our people through surveys, by providing learning and development opportunities where required and through providing access to health and wellbeing initiatives.

The charity has a policy of offering job opportunities to persons with disabilities where possible.

Suppliers

The group's supply chain plays an important part in the delivery of its strategy and its success is tied to the performance of suppliers.

We continue to build strong relationships with our key suppliers and our wider stakeholder population. We are committed to securing services and supplies from local suppliers to support the strategy of the group and the importance it places on the local economy.

The group ensures that it maintains high standards of business conduct throughout its supply chain.

Communities and environment

It is important to us to support and give back to the local communities in which we operate. We operate various activities within the community, for example cook meals for homeless, volunteering in local food banks, volunteering in local schools and operating a sports van to engage with children in more disadvantaged communities. We are also committed to supporting employees to dedicate time to community and charitable activities. We continue to monitor and are committed to reducing our carbon footprint.

Trustees' and directors' report (including strategic report) *(continued)*

Streamlined Energy and Carbon Reporting

GHG emissions and energy use data for period 1-April-2021 to 31-March-2022

	Baseline Reporting Year 2019-2020	Current Reporting Year 2021-2022
	UK GHG Emission and Energy Data	UK GHG Emission and Energy Data
Energy consumption used to calculate emissions (kWh), all mandatory energy sources are included.	47,407,108	45,432,606
Scope 1: Emissions from the combustion of Natural Gas tCO _{2e}	2,877.2	1,935.0
Scope 1: Emissions from combustion of Fuel for transport and heating (Tinsley) tCO _{2e}	81.6	32.2
Scope 3: Emissions from business travel in employee owned vehicles, where the company repaid mileage claims tCO _{2e} (average vehicle / fuel source unknown)	3.8	4.8
Scope 2: Emissions from purchased Electricity tCO _{2e}	4,674.1	3,454.1
Scope 2: Emissions from purchased Heat / Steam from District Heating tCO _{2e}	1,286.3	1,775.6
Total gross CO _{2e} based on above (tCO _{2e})	8,923.0	7,200.1
Intensity Ratio: kg CO _{2e} gross based on mandatory fields above per metre square of Gross Internal Area: (kg CO _{2e} m ⁻²)	60.3 kg CO_{2e} m⁻²	53.0 kg CO_{2e} m⁻²

Methodology

An evidence-based methodology was adopted in accordance with BS EN ISO 14064-3:2019, Section 4.3; verifiable data has been collected from the following sources:

Energy Data: Energy metering, invoices, supply summaries / statements, repayment claims for business mileage, fuel cards, and correspondence with suppliers.

Previous Audit Data: ISO 50001, CRC, ESOS Phase II and display energy certificates.

Emission Conversions: All emission factors for CO₂ have been calculated using Defra Conversions 2021, the carbon content of the district heating schemes have been provided by the energy supplier(s).

Energy Efficiency Action

During the reporting period, Sheffield City Trust group has procured 100% REGO backed renewable electricity from its energy suppliers, five of the largest venues are heated by district heating schemes (two from energy from waste and three from biomass district heating), one venue has a combined heat and power unit installed operating from natural gas.

The charity has continued to invest in energy efficient lighting, replacement heat exchangers, direct drive ventilation fans, circulation pump upgrades and variable speed drives, in a bid to reduce energy consumption and emissions of CO₂. During the financial year (2020-21), considerable investment was made in replacing the ice rink chiller at the Utilita Arena and upgrading the ventilation systems at Utilita Arena and Ponds Forge International Sports Centre.

Trustees' and directors' report (including strategic report) *(continued)*

Streamlined Energy and Carbon Reporting *(continued)*

Energy Efficiency Action (continued)

The replacement chiller plant was highlighted in the Phase II ESOS Report, it is anticipated the new equipment will reduce electricity consumption by 420,572 kWh / 98.1 tCO₂e per year (Defra Conversion 2020).

Other initiatives being implemented from the ESOS Phase II Report are: increased staff awareness, monitoring AHU energy via carbon desktop, and replacing / repairing the east and west AHU recirculation damper units, at Ponds Forge. This could yield potential reductions of a further 126,429 kWh / 295.3 tCO₂e per year, giving an estimated combined reduction of 547 MWh / 405.5 tCO₂e.

The charity has already upgraded all the electricity and gas metering to AMR type, however, due to change of supplier for natural gas the AMR data is no-longer available. During 2021-22, a series of gas meter upgrades were carried out, ensuring a continuous flow of reliable gas data, it appears that some of the gas meters have not been updated on the national database by the supplier(s).

Disclosure of information to auditor

The trustees who held office at the date of approval of the trustees' report and this strategic report confirm that, so far as they are each aware, there is no relevant information of which the group's auditor is unaware; and each trustee has taken all steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Auditor

During the year the trustees undertook a tender process in relation to the provision of audit services, which resulted in the appointment of Crowe U.K. LLP. The auditor will be deemed to be re-appointed and Crowe U.K. LLP will therefore continue in office.

In accordance with Section 414 of the Companies Act 2006, the company has prepared a trustee's report that includes information that would be included with a strategic report. The trustees authorise both the trustees' report and strategic report below.

By order of the board



D Grey MBE
Chairman

23 Carbrook Hall Road
Sheffield
S9 2EH
21 July 2022

Company registration number 2164600
Charity registration number 700520

Statement of trustees' responsibilities in respect of the strategic report, the trustees' report and the consolidated financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and charitable company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of their profit or loss for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Sheffield City Trust

Opinion

We have audited the financial statements of Sheffield City Trust (the "Trust") and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, Company Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group and parent charitable company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the Trust's affairs as at 31 March 2022 and of the Group's surplus for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the Trust future operations beyond 2024 is subject to a tender process and funding is in place until 2024. As stated in note 1, these events indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern beyond 2024. Our opinion is not modified in respect of this matter.

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

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Challenging the Group's assessment of the ongoing support that was subject to finalisation at the time of the reporting date with Sheffield City Council and the ability of Sheffield City Council to provide such support.
- Assessing the numerical accuracy of the forecasts.
- Considering sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively including the impact of inflation.
- Assessing the completeness and accuracy of the matters covered in the going concern disclosures by comparing the disclosures to our knowledge obtained throughout the audit.

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

Independent auditor’s report to the members of Sheffield City Trust *(continued)*

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £500,000, based on 1.5% of incoming resources. Materiality for the parent company financial statements as a whole was set at £320,000 based on 2% of incoming resources.

We use a different level of materiality (‘performance materiality’) to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be £437,000 for the group and £267,000 for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors’ remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £20,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us. Due to the level of activity we considered Sheffield City Trust and Sheffield International Venues Limited to be significant components, whilst Phoenix Sports Limited, 7 Hills Leisure Trust and SIV Enterprises Limited to be insignificant.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our scope addressed the key audit matter
<p><i>Completeness of grant income</i></p> <p>A significant proportion of the Groups revenue consists of grant funding and amounted to £12.8m in the year to 31 March 2022.</p> <p>The key revenue recognition risks in relation to grant income are:</p> <ul style="list-style-type: none"> • Appropriate recognition of grant income in accordance with the stated policies, financial reporting standards • Completeness of income specifically in relation to cut-off and the correct recognition of deferred income. • Segmental recognition and classification of income 	<p>We obtained an understanding of the grant agreements and evaluated the Group’s processes and controls in place to calculate the amount and timing of the recognition of grant income, particularly in respect of new grants obtained during the reporting period.</p> <p>We performed the following audit procedures on a sample basis, for both new and existing agreements, having regard to satisfaction of performance obligations, where these existed, to assess the appropriate income recognition for individual transactions.</p> <ul style="list-style-type: none"> • We assessed that previously deferred grant income was recognised in the correct period, starting with the underlying grant agreement, • We reviewed classification of income within the financial statements ensuring it has been classified in the relevant category in the financial statements by reference to the supporting documentation.

Independent auditor's report to the members of Sheffield City Trust (*continued*)

Overview of our audit approach (*continued*)

Key audit matter	How our scope addressed the key audit matter
<p><i>Pension Liability</i></p> <p>The Trust recognises a defined benefit pension liability. The liability is calculated by an actuary based on a number of assumptions as disclosed in note 21.</p> <p>The key risk in relation to this is:</p> <ul style="list-style-type: none">• Management bias in the use of certain assumptions <p>Shortly before the reporting date, the Trust signed a new funding agreement with Sheffield City Council which subsumed the historic pension assets and liabilities thus removing the Trust from any obligation.</p>	<p>We benchmarked the assumptions adopted in the report against other March year end actuary reports.</p> <ul style="list-style-type: none">• We reviewed the terms of the funding agreement to ensure that it did permit the Trust to derecognise the defined benefit pension liability

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

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 directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Independent auditor's report to the members of Sheffield City Trust (*continued*)

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 13, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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


We obtained an understanding of the legal and regulatory frameworks within which the Group and Trust operate. We considered this context to be the Companies Act 2006 and Charities Act 2011. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing the accounting estimates for bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist (Senior Statutory Auditor)
for and on behalf of Crowe U.K. LLP, Statutory Auditor
Chartered Accountants

The Lexicon
Mount Street
Manchester
M2 5NT

21 July 2022

Consolidated statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2022

		Unrestricted funds	Restricted Funds – charitable activities	Total funds	Total funds
	<i>Note</i>	2022 £000	2022 £000	2022 £000	2021 £000
Incoming resources					
Income from charitable activities		20,235	-	20,235	5,224
Investment income		9	-	9	5
Income from donations and legacies - Grants receivable		1,321	-	1,321	8,849
Income from donations and legacies - Sheffield City Council		7,569	3,943	11,512	11,742
Total incoming resources		29,134	3,943	33,077	25,820
Resources expended					
Expenditure on raising funds		(13,223)	(1,624)	(14,847)	(9,843)
Expenditure on charitable activities – general		(16,443)	(665)	(17,108)	(18,457)
Expenditure on charitable activities - pension		12,957	-	12,957	-
Total resources expended	3	(16,709)	(2,289)	(18,998)	(28,300)
Net incoming/(outgoing) resources before tax	6	12,425	1,654	14,079	(2,480)
Taxation	9	396	-	396	68
Net incoming/(outgoing) resources before other recognised gains and losses		12,821	1,654	14,475	(2,412)
Actuarial gain/(loss) recognised in the pension scheme	21	3,677	-	3,677	(2,530)
Related tax		-	-	-	19
Net profit/(loss) in the year		16,498	1,654	18,152	(4,923)
Fund balances brought forward		(18,510)	30,688	12,178	17,101
Fund balances carried forward	4/5	(2,012)	32,342	30,330	12,178

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

Company statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2022

		Unrestricted funds	Restricted funds – charitable activities	Total funds	Total funds
	<i>Note</i>	2022 £000	2022 £000	2022 £000	2021 £000
Incoming resources					
Income from charitable activities		8,474	-	8,474	3,092
Investment income		9	-	9	5
Income from donations and legacies - Grants receivable		692	1,909	2,601	5,022
Income from donations and legacies - Sheffield City Council		7,204	-	7,204	11,742
		<u>16,379</u>	<u>1,909</u>	<u>18,288</u>	<u>19,861</u>
Resources expended					
Expenditure on charitable activities – general		(16,695)	(665)	(17,360)	(19,017)
Expenditure on charitable activities - pension		12,957	-	12,957	-
		<u>(3,738)</u>	<u>(665)</u>	<u>(4,403)</u>	<u>(19,017)</u>
Net incoming resources before tax	6	12,641	1,244	13,885	844
Tax		-	-	-	-
		<u>12,641</u>	<u>1,244</u>	<u>13,885</u>	<u>844</u>
Net incoming resources before other recognised gains and losses		12,641	1,244	13,885	844
Actuarial gain/(loss) recognised in the pension scheme	21	3,677	-	3,677	(2,186)
		<u>16,318</u>	<u>1,244</u>	<u>17,562</u>	<u>(1,342)</u>
Net profit/(loss) in the year		16,318	1,244	17,562	(1,342)
Fund balances brought forward		(18,560)	9,930	(8,630)	(7,288)
		<u>(2,242)</u>	<u>11,174</u>	<u>8,932</u>	<u>(8,630)</u>
Fund balances carried forward	4/5	<u>(2,242)</u>	<u>11,174</u>	<u>8,932</u>	<u>(8,630)</u>

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

Consolidated balance sheet

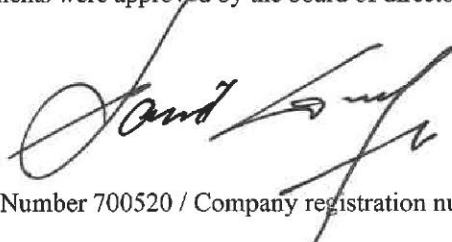
As at 31 March 2022

	Note	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Intangible Assets	11	26		35	
Tangible fixed assets	12	151,986		152,636	
Negative goodwill	10	(6,573)		(6,778)	
		<u> </u>	145,439	<u> </u>	145,893
Current assets					
Stocks	14	216		123	
Debtors (including debtors due after one year of £32,490,000 (2021: £32,490,000))	15	34,356		35,651	
Cash at bank and in hand		7,968		4,147	
		<u> </u>		<u> </u>	
Creditors: amounts falling due within one year	16	42,540		39,921	
		<u>(29,922)</u>		<u>(29,631)</u>	
Net current assets			12,618		10,290
Total assets less current liabilities			<u>158,057</u>		<u>156,183</u>
Creditors: amounts falling due after more than one year	17		(127,727)		(127,674)
Provisions for liabilities	18		-		(396)
			<u> </u>		<u> </u>
Net assets – excluding pension asset and liability			30,330		28,113
Pension liability	21		-		(15,935)
			<u> </u>		<u> </u>
Net assets – including pension asset and liability			<u>30,330</u>		<u>12,178</u>
			<u> </u>		<u> </u>
Fund balances					
Unrestricted reserves					
Designated reserve	4		505		512
General reserve	4		(2,517)		(3,087)
Pension reserve	4		-		(15,935)
			<u> </u>		<u> </u>
Net unrestricted funds			(2,012)		(18,510)
Restricted funds	5		32,342		30,688
			<u> </u>		<u> </u>
Total funds			<u>30,330</u>		<u>12,178</u>
			<u> </u>		<u> </u>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 21 July 2022 and were signed on its behalf by:

D Grey MBE
Chairman



Charity Registration Number 700520 / Company registration number: 2164600

Company balance sheet

As at 31 March 2022

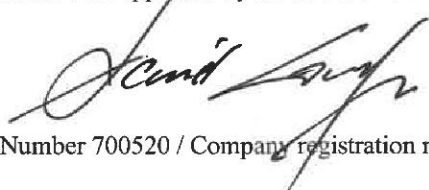
	Note	2022	2021
		£000	£000
Fixed assets			
Investments	13	-	-
Intangible assets	11	26	35
Tangible fixed assets	12	125,282	125,440
		<hr/>	<hr/>
		125,308	125,475
Current assets			
Stock	14	-	9
Debtors (including debtors due after one year of £32,490,000 (2021 - £32,490,000))	15	33,376	35,495
Cash at bank and in hand		1,474	2,629
		<hr/>	<hr/>
		34,850	38,133
Creditors: amounts falling due within one year	16	(23,499)	(28,629)
		<hr/>	<hr/>
Net current assets		11,351	9,504
		<hr/>	<hr/>
Total assets less current liabilities		136,659	134,979
Creditors: amounts falling due after more than one year	17	(127,727)	(127,674)
		<hr/>	<hr/>
Net assets – excluding pension liability		8,932	7,305
Pension liability	21	-	(15,935)
		<hr/>	<hr/>
Net liabilities – including pension liability		8,932	(8,630)
		<hr/> <hr/>	<hr/> <hr/>
Fund balances			
Unrestricted reserves			
Designated reserve	4	505	512
General reserve	4	(2,747)	(3,137)
Pension reserve	4	-	(15,935)
		<hr/>	<hr/>
Net unrestricted funds		(2,242)	(18,560)
Restricted funds	5	11,174	9,930
		<hr/>	<hr/>
Total funds		8,932	(8,630)
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 21 July 2022 and were signed on its behalf by:

D Grey MBE
Chairman

Charity Registration Number 700520 / Company registration number: 2164600



Consolidated cash flow statement

For year ended 31 March 2022

	<i>Note</i>	2022 £000	2021 £000
Cash flows from operating activities			
Net incoming/(outgoing) resources before other recognised gains or losses		14,475	(2,412)
<i>Adjustments for:</i>			
Depreciation and amortisation	10/11/12	3,603	3,199
Interest receivable and similar income		(9)	(5)
Interest payable and similar charges		3,338	4,248
Pension (receipts)/charges in excess of cash contributions		(12,600)	112
Tax		(396)	(68)
(Profit)/loss on disposal		(539)	33
		<hr/>	<hr/>
		7,872	5,107
Decrease/(increase) in trade and other debtors	15	1,252	(597)
(Increase)/decrease in stocks	14	(93)	27
Increase in trade and other creditors	16	414	97
		<hr/>	<hr/>
		9,445	4,634
Tax received		43	-
		<hr/>	<hr/>
Net cash from operating activities		9,488	4,634
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of tangible fixed assets	12	(3,619)	(1,662)
Acquisition of intangible assets	11	-	(43)
Proceeds from disposal of tangible fixed assets		1,009	-
Interest received		9	5
		<hr/>	<hr/>
Net cash from investing activities		(2,601)	(1,700)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from new loan		15,910	15,894
Interest paid		(2,991)	(3,940)
Repayment of borrowings		(15,721)	(14,709)
Payment of finance lease liabilities		(264)	(425)
		<hr/>	<hr/>
Net cash from financing activities		(3,066)	(3,180)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		3,821	(246)
Cash and cash equivalents brought forward		4,147	4,393
		<hr/>	<hr/>
Cash and cash equivalents carried forward		7,968	4,147
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of the financial statements.

Notes to the financial statements

1 Accounting policies

Sheffield City Trust (the “charity”) is a company limited by guarantee, is a registered charity (registration number 700520) and is incorporated and domiciled in the UK.

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (*Charities SORP FRS 102*), the Charities Act 2011 and the Companies Act 2006. The presentation currency of these financial statements is sterling. The current years financial statements are for the year from 1 April 2021 to 31 March 2022 (*2021: 1 April 2020 to 31 March 2021*).

The parent company is included in the consolidated financial statements; and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 23.

Going concern

During the year ended 31 March 2022, Sheffield City Trust had net incoming resources before tax of £14,475,000, an increase in cash of £3,821,000 to £7,968,000 and Group net assets of £30,330,000 as at 31 March 2022.

Sheffield City Council provides legally binding support to Sheffield City Trust as follows;

‘Shortfall Funding Agreement’ Sheffield City Council will continue to provide additional funding support in respect of three legacy venues (Utilita Arena, Hillsborough Leisure Centre and Ponds Forge International Sports Centre) in line with the ‘Shortfall Funding Agreement’ held between both parties, including a guarantee for the amounts due under the bonds. The ‘Shortfall Funding Agreement’ is a legally binding commitment to 31 March 2024.

Additionally, Sheffield City Trust has entered into a legally binding Funding Agreement with Sheffield City Council during the year to provide the funds and cashflow support necessary to run the trust through to 31 August 2024.

Sheffield City Council has indicated its intention to continue to make available such funds as are needed by the charity for the period of at least 12 months from the date of signing of the financial statements and in fact to 31 August 2024. As with any charity placing reliance on a partner for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Management have prepared a business plan to cover the period 1 April 2022 to 31 August 2024 which sets out planned income and expenditure across all venues and is broken down by type of income and expense.

The management team are committed to achieving the plan and have robust action plans in place to enable them to do this. The management team continues to meet on a monthly basis to review performance against the budget and, where there are shortfalls, looks at actions to address these, including the reduction of costs where necessary. Performance year to date is ahead of the plan.

The plan includes trading assumptions which are reliant on further capital investment in venues, which is only achievable with assistance from Sheffield City Council. The additional capital investment is required to support the plan, but because of the legal arrangements regarding the bond and related assets and the funding agreement entered into during the year, it is not necessary for the group to continue as a going concern.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Going concern *(continued)*

The operating environment presents a number of challenges which could contribute to the group failing to achieve its operational cash flow forecasts. These risks and uncertainties include but are not limited to, the continued impact of Covid-19 on venue availability, achieving forecast levels of Fitness Unlimited members, achieving forecast footfall in venues and achieving continuing control over the level of underlying cost base. As such, the reliance on the intended legally binding assistance from Sheffield City Council is even more important.

The trustees have considered all of these factors and have had discussions with representatives from Sheffield City Council. Sheffield City Council is guarantor of the bond and has entered into the new Funding Agreement to emphasise its commitment to the future of Sheffield City Trust. The trustees are also comfortable that the provisions of the funding agreement provide for significant liabilities beyond 2024 and that the group remains sustainable beyond this date.

On 17 November 2021, Sheffield City Council began a Leisure and Entertainment Facility and Services Review. The review included an intention to put out to competitive tender the management of the major sporting facilities, leisure facilities and entertainment venues currently managed by the Trust. The current arrangements between Sheffield City Trust and the Council end on 31 August 2024.

Sheffield City Council intends to go out to tender for the delivery of leisure services from September 2024 as part of its approved Leisure Strategy. No formal tender documentation has been published as at the date of the approval of these financial statements. The Trust has already communicated to Sheffield City Council that it does not intend to bid to operate the facilities from the hand back date in 2024.

The Sheffield City Council Leisure Strategy also includes significant investment in the replacement or refurbishment of many existing facilities. Given the lasting impact of the Covid 19 pandemic and the subsequent economic crisis, the timing and outcomes of both the investment cycle and the tender process are under some pressure and remain uncertain. As a result, the date of transfer of management of the facilities from Sheffield City Trust to another operator is also uncertain.

Consequently, as a result of the legal arrangements with Sheffield City Council, the trustees are confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and through to August 2024. Although the financial viability of the Trust is reasonably secure given the funding agreement, there remains a material uncertainty as to whether the trust will be operational as a leisure services provider beyond 2024. This will depend upon the timeliness and success of the planned tender process.

Therefore, the trustees consider there to be a material uncertainty as to whether the trust is a going concern as it may not operate beyond 2024. In the event that the Trust does cease trading post August 2024, the trustees intend on a solvent wind up of the business.

Operating Segments

The Trustees believe that the Group comprises a single reporting segment, that being the provision of facilities to enable the public to participate in recreational activities, which promotes the health and well being of the people of Sheffield and surrounding areas.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its subsidiary undertakings made up to 31 March 2022. The consolidated statement of financial activities consolidates the results of the charitable activities of the group on a line by line basis.

Investments

In the charity's financial statements, investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures, fittings and equipment	-	5% to 100% per annum
Leasehold buildings (other than venues)	-	life of lease

No depreciation is provided on freehold or leasehold land.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Fixed assets and depreciation (continued)

Tangible fixed assets relating to the original capitalisation of the leased venues – Ponds Forge International Sports Centre, Utilita Arena and Hillsborough Leisure Centre – are depreciated over their remaining useful economic life (until 2024) on a straight line basis to their residual value. The residual value of the tangible fixed assets reflects the value at which the assets will be realised upon the settling of the bond liabilities of the charity.

Capital grants receivable and restricted funds

In accordance with the requirements of the Financial Reporting Standard 102 “The financial reporting standard applicable in the United Kingdom and Ireland” (Charities SORP FRS 102) capital grants are recognised as restricted funds in the accounting period in which they are received. Depreciation charged over the period imposed by the grant agreement associated with the restricted fund, is included within restricted funds. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Revenue grants and unrestricted funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Revenue grants are recognised in the period in which the relevant expenditure is incurred and in line with any conditions specific to the grant. Where performance criteria are met, the grant is released.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

In the year, the group contributed to a pension scheme operated by South Yorkshire Pension Authority providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. The group contributed to a defined benefit pension scheme operated by North Yorkshire Pension Fund until 31 January 2021, when employees were transferred, under the provision of TUPE, to Scarborough Borough Council. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

On 31 March 2022, the historic assets and liabilities of the South Yorkshire Pension Scheme were subsumed by the Sheffield City Council South Yorkshire Pension Scheme and the group has been discharged of its net pension liability. The movement in the scheme’s deficit is split between operating charges, finance items and actuarial gains and losses. Further details regarding the schemes are disclosed in note 21.

Goodwill

Goodwill arising on acquisition is released over the period of use of the non-monetary assets to which it relates. Negative goodwill arising on acquisition is released to the statement of financial activities in the periods in which the fair values of non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Tax

Sheffield City Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from tax in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2013 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Sheffield International Venues Limited is the trading subsidiary of the Trust. The company has a policy of making gift aid payments equivalent to at least its taxable profit subject to sufficient distributable reserves being available. Therefore, it does not expect to incur any tax charges and deferred tax accounting is not considered to be necessary.

Incoming resources from charitable activities

Incoming resources from charitable activities represents the amounts (excluding value added tax) derived from the rental of sites in Sheffield developed as recreational facilities together with other income derived from those sites, including payment by the community for use of the recreational facilities. All income from these activities arises from activities in the United Kingdom.

Interest receivable and payable

Interest receivable or payable is recognised in the statement of financial activities on an accruals basis.

Resources expended and allocation of charitable expenditure

Resources expended are accounted for on an accruals basis and are classified by the trustees as expenditure on raising funds or expenditure on charitable activity, depending on the nature of the expenditure incurred. Where resources expended are apportioned this is done on the basis of the use of the resources.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts, discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations

During the year the charity had five wholly owned subsidiaries which are incorporated in the UK. Sheffield International Venues Limited manages sporting and recreational facilities as agent for Sheffield City Trust in respect of the community income and expenditure, and as principal in respect of ancillary commercial income and expenditure for Sheffield City Trust. 7 Hills Leisure Trust has not traded in the year and the objects of the charity in the year were to allow the orderly wind up of the charity following the cessation of trade. 7 Hills Commercial Limited is a non-trading entity.

Phoenix Sports Limited provides full ownership and operation of the English Institute of Sport - Sheffield. The charity indirectly owns SIV Enterprises Limited through Sheffield International Venues Limited whose activities in the year were limited to procedures to allow the orderly wind up of the company following cessation of trade on 1 February 2021.

A summary of the trading activities of Sheffield International Venues Limited, 7 Hills Leisure Trust, Phoenix Sports Limited and SIV Enterprises Limited are shown below.

Sheffield International Venues Limited

	2022 £000	2021 £000
Turnover	11,762	1,963
Other operating income	2,325	1,515
Raw materials and consumables	(1,486)	(95)
Staff costs	(3,527)	(2,297)
Depreciation	(1,208)	(871)
Other operating charges	(9,299)	(3,480)
	<hr/>	<hr/>
Operating loss	(1,433)	(3,265)
Net interest payable	(2)	(26)
	<hr/>	<hr/>
Loss on ordinary activities before taxation	(1,435)	(3,291)
Tax on loss on ordinary activities	395	-
	<hr/>	<hr/>
Loss retained in the subsidiary	(1,040)	(3,291)
	<hr/> <hr/>	<hr/> <hr/>

The directors reviewed the funding arrangements for Sheffield International Venues Limited and its budgets for the coming years and believe that it will gradually start to make a positive contribution to the financial affairs of the charity as the business returns to normal levels following the Covid-19 pandemic.

	2022 £000	2021 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	3,392	3,020
Current assets	8,716	11,025
Creditors: amounts falling due within one year	(10,805)	(11,818)
Creditors: amounts falling due after more than one year	(1,303)	(792)
Provisions for liabilities	-	(395)
	<hr/>	<hr/>
Net assets	-	1,040
	<hr/> <hr/>	<hr/> <hr/>

Statement of other comprehensive income

	2022 £000	2021 £000
Loss for the financial period	(1,040)	(3,291)
	<hr/>	<hr/>
Total comprehensive expense for the financial year	(1,040)	(3,291)
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

7 Hills Leisure Trust

	Unrestricted funds - General 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Incoming resources			
Income from charitable activities	-	-	35
Income from donations and legacies - grants receivable	-	-	12
	<hr/>	<hr/>	<hr/>
Total incoming resources	-	-	47
	<hr/>	<hr/>	<hr/>
Resources expended			
Expenditure on charitable activities	(414)	(414)	(122)
	<hr/>	<hr/>	<hr/>
Total resources expended	(414)	(414)	(122)
	<hr/>	<hr/>	<hr/>
Net outgoing resources before other recognised gains and losses	(414)	(414)	(75)
	<hr/>	<hr/>	<hr/>
Net movements in the year	(414)	(414)	(75)
Fund balances at 1 April 2021	414	414	489
	<hr/>	<hr/>	<hr/>
Fund balances carried forward	-	-	414
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The directors reviewed the funding arrangements for 7 Hills Leisure Trust and its budgets and believed that it would better deliver against its charitable objects by transferring its operations into its parent charity, Sheffield City Trust and as such all venues were transferred to Sheffield City Trust at book value. Following the transfer of the final venue on 1 May 2021, the objects of the charity has been to allow the orderly wind up of the charity. As part of a streamlined group structure, it will drive further efficiencies and ultimately improve the resources available to deliver the charitable objects of both charities.

	2022 £000	2021 £000
The assets and liabilities of the subsidiary were:		
Current assets	1	2,187
Creditors: amounts falling due within one year	(1)	(1,773)
	<hr/>	<hr/>
Net assets	-	414
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

Phoenix Sports Limited

	2022	2021
	£000	£000
Income		
Lottery grant released	433	433
Yorkshire Forward grant released	14	14
Lifecycle fund	53	93
Grant income	71	71
Other income	91	91
	<hr/>	<hr/>
Total income	662	702
 Expenditure		
Building Maintenance	-	(40)
Depreciation	(658)	(658)
	<hr/>	<hr/>
Operating profit	4	4
	<hr/>	<hr/>
Profit on ordinary activities before tax	4	4
Tax on profit on ordinary activities	-	35
	<hr/>	<hr/>
Profit retained in the subsidiary	4	39
	<hr/> <hr/>	<hr/> <hr/>

The directors reviewed the funding arrangements for Phoenix Sports Limited and its budgets for the coming years and believe that it will gradually start to make a positive contribution to the financial affairs of the charity.

	2022	2021
	£000	£000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	16,741	17,399
Current assets	2,611	2,520
Deferred income: amounts falling due within one year	(571)	(571)
Deferred income: amounts falling due after more than one year	(18,882)	(19,453)
	<hr/>	<hr/>
Net liabilities	(101)	(105)
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

SIV Enterprises Limited

	2022	2021
	£000	£000
Turnover	-	123
Other operating income	65	1,575
Raw materials and consumables	-	(46)
Staff costs	241	(632)
Depreciation	-	(20)
Other operating charges	(67)	(884)
	<hr/>	<hr/>
Operating profit	239	116
Other finance income	-	3
Other income	1,502	-
	<hr/>	<hr/>
Profit on ordinary activities before taxation	1,741	119
Tax on profit on ordinary activities	-	32
	<hr/>	<hr/>
Profit retained in the subsidiary	1,741	151
	<hr/> <hr/>	<hr/> <hr/>

The operation of Tupton Golf course was transferred to Sheffield City Trust on 1 May 2020 and the assets and liabilities were transferred at their net book value on this date. The operation of Scarborough Spa, Whitby Pavilion and Peasholm Park Café was transferred to Scarborough Borough Council on 1 February 2021 following termination of the contract.

	2022	2021
	£000	£000
The assets and liabilities of the subsidiary were:		
Current assets	-	1,815
Creditors: amounts falling due within one year	-	(3,556)
	<hr/>	<hr/>
Net assets/(liabilities)	-	(1,741)
	<hr/> <hr/>	<hr/> <hr/>

Statement of other comprehensive income

	2022	2021
	£000	£000
Profit for the financial year	1,741	151
Actuarial loss recognised in the pension scheme	-	(344)
Tax on actuarial loss	-	19
	<hr/>	<hr/>
Total comprehensive income/(expense) for the financial year	1,741	(174)
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

3 Resources expended

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
<i>Unrestricted funds</i>				
<i>Expenditure on raising funds</i>				
Ground rent	40	26	-	-
Other finance income – including pension	1	(3)	-	-
Overheads including staff costs, depreciation and finance lease interest	13,182	8,902	-	-
	<u>13,223</u>	<u>8,925</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities - General</i>				
Ground rent	115	80	115	80
Interest on loans	92	84	92	84
Interest payable on bonds	2,873	3,803	2,873	3,803
Other finance costs – including pension	342	319	342	319
Overheads including staff costs, depreciation and finance lease interest	13,021	13,487	13,273	14,047
	<u>16,443</u>	<u>17,773</u>	<u>16,695</u>	<u>18,333</u>
<i>Expenditure on charitable activities - Pension</i>				
Pension scheme settlement	(12,957)	-	(12,957)	-
	<u>(12,957)</u>	<u>-</u>	<u>(12,957)</u>	<u>-</u>
Total unrestricted resources expended	<u>16,709</u>	<u>26,698</u>	<u>3,738</u>	<u>18,333</u>
<i>Restricted funds</i>				
<i>Expenditure on raising funds</i>				
Overheads	440	194	-	-
Depreciation	1,184	724	-	-
	<u>1,624</u>	<u>918</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities</i>				
Overheads	38	219	38	219
Depreciation	627	465	627	465
	<u>665</u>	<u>684</u>	<u>665</u>	<u>684</u>
Total restricted resources expended	<u>2,289</u>	<u>1,602</u>	<u>665</u>	<u>684</u>

Notes to the financial statements (continued)

4 Unrestricted funds

The breakdown of the unrestricted funds between designated and general funds is as follows:

Group	At 1 April 2020 £000	Income £000	Utilised £000	Movement in pension deficit £000	At 31 March 2021 £000	Income £000	Utilised £000	Movement in pension deficit £000	At 31 March 2022 year £000
Group									
Designated funds									
Direct support of other charitable activities in Sheffield	492	91	(78)	-	505	95	(109)	-	491
Health fund	8	-	(1)	-	7	-	(2)	-	5
Other designate reserves	-	-	-	-	-	78	(69)	-	9
General funds									
Retained deficit	(1,125)	24,154	(26,116)	-	(3,087)	28,961	(28,391)	-	(2,517)
Pension reserve	(12,989)	-	(416)	(2,530)	(15,935)	-	12,258	3,677	-
	(13,614)	24,245	(26,611)	(2,530)	(18,510)	29,134	(16,313)	3,677	(2,012)
Company									
Designated funds									
Direct support of other charitable activities in Sheffield	492	91	(78)	-	505	95	(109)	-	491
Health fund	8	-	(1)	-	7	-	(2)	-	5
Other designate reserves	-	-	-	-	-	78	(69)	-	9
General funds									
Retained deficit	(4,671)	19,128	(17,594)	-	(3,137)	16,206	(15,816)	-	(2,747)
Pension reserve	(13,089)	-	(660)	(2,186)	(15,935)	-	12,258	3,677	-
	(17,260)	19,219	(18,333)	(2,186)	(18,560)	16,379	(3,738)	3,677	(2,242)

The fund to support the other charitable activities of the charity provides grants to other groups where those groups are considered the most appropriate way of furthering the charity's objects within the specific target communities.

The health fund has been established to fund children's education and nutrition programmes.

Included within unrestricted funds is grant income of £100,000 (2021:£4,334,000) received in the year in respect of the governments Coronavirus Job Retention scheme.

5 Restricted funds

Group	At 1 April 2020 £000	Incoming Resources £000	Utilised £000	At 31 March 2021 £000	Incoming Resources £000	Utilised £000	At 31 March 2022 year £000
Group							
iceSheffield capital grant	6,132	-	(187)	5,945	-	(185)	5,760
Sheffield City Hall renovation grant	3,367	-	(190)	3,177	-	(92)	3,085
EISS grant	19,204	-	(540)	18,664	-	(500)	18,164
NCSEM at Concord Sports Centre	398	-	(79)	319	-	(80)	239
Essential maintenance grant	369	1,575	(563)	1,381	3,943	(1,388)	3,936
EISS Sport hall grant	1,221	-	(39)	1,182	-	(39)	1,143
Other grants	24	-	(4)	20	-	(5)	15
	30,715	1,575	(1,602)	30,688	3,943	(2,289)	32,342
Company							
iceSheffield capital grant	6,132	-	(187)	5,945	-	(185)	5,760
Sheffield City Hall renovation grant	3,367	-	(190)	3,177	-	(92)	3,085
NCSEM at Concord Sports Centre	398	-	(79)	319	-	(80)	239
Essential maintenance grant	27	642	(225)	444	1,909	(305)	2,048
EISS Sports hall grant	48	-	(3)	45	-	(3)	42
	9,972	642	(684)	9,930	1,909	(665)	11,174

Notes to the financial statements *(continued)*

5 Restricted funds *(continued)*

The restricted funds of £5,760,000 in respect of iceSheffield represent funding received from Sport England to aid the charity in building the national ice centre in the Lower Don Valley. This project was completed in 2003 and the fund is being amortised as the asset is depreciated.

The restricted funds of £3,085,000 in respect of the Sheffield City Hall renovation project represent funding received from the European Single Regeneration Budget to fund the cost of professional fees during the design phase of the project, and from European Objective 1 funding to fund the building phase. The project was completed in 2005 and the fund is being amortised as the asset is depreciated.

The restricted funds of £18,164,000 in respect of EISS represents funds received from Sport England and Yorkshire Forward to aid Phoenix Sports Limited in building the EISS and a further amount received from Sport England to provide a lifecycle fund to meet the maintenance cost of the up-keep of EISS. The project to build the EISS was completed in 2003 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted funds of £239,000 relate to Olympic Legacy funding received from Public Health England on behalf of the Department of Health (DOH). The charity is part of a consortium of organisations in Sheffield that is promoting and researching the positive benefit of physical activity on health. These funds have been used to generate a positive benefit for the NHS by renovating and equipping Concord Sports Centre for use by the public for medical facilities within a building also used for physical activity. The project was completed in 2015 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted fund of £3,936,000 in respect of essential maintenance represents funds received from Sheffield City Council to aid essential maintenance work on the various properties, which are owned by Sheffield City council and operated by the charity. The funds are being amortised either as the assets are depreciated or the cost of repairs incurred.

The restricted funds of £1,143,000 in respect of the EISS Sports Hall represents funds received from Sheffield City Council to build a sports hall at the English Institute of Sport – Sheffield for the use of a local school. Funds are being amortised as the assets are depreciated.

The useful economic life of all assets mentioned within restricted funds is in line with the duration of the respective leases pertaining to the buildings for which that work was funded.

By their nature restricted funds can only be used for the purpose they were intended and not to fund general or unrestricted activity.

6 Net outgoing resources before taxation are stated after charging

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Auditor's remuneration - Audit of these financial statements	101	100	40	45
Depreciation of owned assets	3,575	3,054	1,505	1,300
Depreciation of assets held under finance leases	224	340	224	340
Hire of assets under operating leases - other assets	129	181	129	167
Amortisation of negative goodwill	(205)	(205)	-	-
Impairment of trade receivables	-	22	-	12
Inventory recognised as an expense	1,149	72	-	-
	<u>1,149</u>	<u>72</u>	<u>-</u>	<u>-</u>

7 Remuneration of trustees

No emoluments were paid to any of the trustees during the year (2021: £nil).

No expenses were reimbursed to any trustees in respect of any expenditure made on behalf of the charity (2021: £nil).

Notes to the financial statements *(continued)*

8 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year analysed by category, was as follows:

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
Leisure	304	323	304	315
Maintenance	125	167	125	151
Administration	121	133	121	127
Catering	157	167	157	143
	707	790	707	736
	707	790	707	736

Staff numbers and costs include all contracted and casual staff regardless of hours worked. The number of permanent full time roles decreased during the year as did the number of casual employees.

The aggregate payroll cost of the employees employed by the group during the year was as follows:

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Wages and salaries	9,814	10,112	9,814	9,514
Social security costs	652	662	660	624
Other pension costs	(12,300)	1,402	(12,000)	1,578
Redundancy costs	12	863	1	708
	(1,822)	13,039	(1,525)	12,424
	(1,822)	13,039	(1,525)	12,424

All staff of 7 Hills Leisure Trust and Sheffield International Venues Limited along with staff employed by SIV Enterprises Limited with contracts at Tapton Park Golf Course were transferred under the provisions of TUPE to Sheffield City Trust on 1 April 2019. Where required, companies within the group now procure HR services from Sheffield City Trust as required to support the operations of the venues and a management fee is charged for these services. The staff numbers and costs of all contracted staff employed by Sheffield City Trust irrespective of which group company they provide services to are included in the company numbers above.

The group pension costs include a pension credit of £257,000 in respect of the Derbyshire Pension Scheme and a settlement credit of £12,957,000 following the admission of all employees in the South Yorkshire pensions scheme into the Sheffield City Council scheme (2021: £241,000 credit in respect of the North Yorkshire pension scheme).

The number of employees in the group whose emoluments amounted to over £60,000 in the year was as follows:

	2022	2021
£60,001 - £70,000	4	4
£70,001 - £80,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
	6	6
	6	6

The group made contributions of £58,169 (2021: £127,079) to defined benefit schemes in respect of these employees. This figure includes a one-off pension contribution of £nil (2021: £81,487) in respect of redundancy.

Notes to the financial statements *(continued)*

9 Tax

<i>Analysis of charge in year</i>	2022	Group	2021
	£000		£000
Current tax			
Adjustments in respect of prior periods	-		(76)
Total current tax charge for the year	-		(76)
Deferred tax			
Origination and reversal of timing differences	(396)		8
Total tax credit for the year	(396)		(68)

Factors affecting the tax charge for the current year

The current tax charge for the period is lower *(2021: higher)* than the standard rate of corporation tax in the United Kingdom, which, for the period ended 31 March 2022, was 19% *(2021: 19%)*. The differences are explained below:

	2022	2021
	£000	£000
Net incoming/(outgoing) resources before tax	14,079	(2,480)
Current tax at 19% <i>(2021: 19%)</i>	2,675	(471)
Non deductible and non taxable items	(3,032)	(121)
Adjustments relating to prior periods	(396)	(76)
Pension scheme adjustments	-	(86)
Deferred tax not recognised	-	536
Depreciation in excess of capital allowances	199	150
Tax losses	158	-
Total tax credit for the year	(396)	(68)

The release of deferred tax relates to Sheffield International Venues Limited, Sheffield City Trust's trading subsidiary.

Sheffield International Venues Limited has historically recognised deferred tax movements however given its tax strategy of making a gift aid payment to its charitable parent, Sheffield City Trust, of any taxable profits and the level of historical tax losses, it now considers this accounting to no longer be required.

Notes to the financial statements *(continued)*

10 Negative goodwill

	£000
<i>Cost</i>	
At beginning and end of year	(8,741)
	<hr/>
<i>Impairment losses/amortisation</i>	
At beginning of year	1,963
Charge for year	205
	<hr/>
At end of year	2,168
	<hr/>
<i>Carrying amount</i>	
At end of year	(6,573)
	<hr/> <hr/>
At beginning of year	(6,778)
	<hr/> <hr/>

As part of the transaction to take full ownership and direct operation of the EISS, the trust acquired Phoenix Sports Limited for £1 on 31 March 2011.

Phoenix Sports Limited is the company which owns the 150 year lease relating to EISS.

At the date of the acquisition the net assets acquired had a book value of £nil, being the net book value of the English Institute of Sport – Sheffield building of £20m less the amounts provided by the English Sports Council to fund the construction of the building, £20m, shown as deferred income. In accordance with UK GAAP requirements regarding acquisition accounting, the fair value of the EISS building was determined at the date of acquisition as £29m. As this amount exceeded the deemed consideration paid, £20m, negative goodwill of £9m was recognised.

This goodwill is being amortised over 50 years in line with the useful economic life of the English Institute of Sport – Sheffield building and the historic grant funding which financed its construction.

11 Intangible assets Group

	Total £000
<i>Cost</i>	
At beginning of year	47
	<hr/>
At end of year	47
	<hr/>
<i>Amortisation</i>	
At beginning of year	12
Charge for year	9
	<hr/>
At end of year	21
	<hr/>
<i>Closing net book amount</i>	
At end of year	26
	<hr/> <hr/>
At beginning of year	35
	<hr/> <hr/>

Notes to the financial statements (continued)

11 Intangible assets (continued) Company

	Total £000
Cost	
At beginning of year	45
At end of year	45
Amortisation	
At beginning of year	10
Charge for year	9
At end of year	19
Closing net book amount	
At end of year	26
At beginning of year	35

12 Tangible fixed assets

Group	Freehold land £000	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost					
At beginning of year	468	173,740	25,275	262	199,745
Additions	-	-	63	3,556	3,619
Disposals	(468)	-	(1,735)	-	(2,203)
Transfers	-	-	3,476	(3,476)	-
At end of year	-	173,740	27,079	342	201,161
Depreciation					
At beginning of year	-	30,156	16,953	-	47,109
Charge for year	-	1,140	2,659	-	3,799
Disposals	-	-	(1,733)	-	(1,733)
At end of year	-	31,296	17,879	-	49,175
Net book value					
At end of year	-	142,444	9,200	342	151,986
At beginning of year	468	143,584	8,322	262	152,636

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2021: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

Notes to the financial statements *(continued)*

12 Tangible fixed assets *(continued)*

Company	Freehold land £000	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets Under Construction £000	Total £000
Cost					
At beginning of year	468	141,439	9,427	188	151,522
Additions	-	-	40	2,945	2,985
Disposals	(468)	-	(1,013)	-	(1,481)
Transfers	-	-	1,822	(1,822)	-
Group Transfers	-	-	46	(992)	(946)
At end of year	-	141,439	10,322	319	152,080
Depreciation					
At beginning of year	-	20,537	5,545	-	26,082
Charge for year	-	449	1,280	-	1,729
Disposals	-	-	(1,013)	-	(1,013)
At end of year	-	20,986	5,812	-	26,798
Net book value					
At end of year	-	120,453	4,510	319	125,282
At beginning of year	468	120,902	3,882	188	125,440

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2021: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

The following are included in the total net book value of tangible fixed assets in respect of assets held under finance leases.

	Group	Company
	Fixtures, fittings and equipment £000	Fixtures, fittings and equipment £000
2022		
Net book value	806	806
Depreciation	224	224
2021		
Net book value	1,013	1,013
Depreciation	340	340

Notes to the financial statements *(continued)*

13 Investments - Company

**Investment in
subsidiary
£000**

Net book value at beginning and end of year

-

On 31 March 2015 the charity forgave, by way of a capital contribution, monies owed by its subsidiary Sheffield International Venues Limited. This capital contribution gave rise to the capitalisation of the historic inter-company debtor of £7,578,000. The investment is reviewed for impairment annually, by considering the net present value of future cash flows of Sheffield International Venues Limited over a period to March 2024. The investment was fully impaired in 2019 and no indicators exist to suggest that this impairment be reversed.

On 1 April 2019, all staff of Sheffield International Venues Limited were transferred under the provisions of TUPE to Sheffield City Trust. At the same time, the assets and liabilities of the South Yorkshire Pension Authority scheme were also transferred and as a result of this, Sheffield City Trust have taken on the historic pension liability by way of a capital contribution. The investment was fully impaired in 2020 and no indicators exist to suggest that this impairment be reversed.

The charity holds investments of £100 relating to shares held in subsidiaries.

The entities in which the charity holds beneficial interests are as follows:

	Principal activity	Country of registration	Percentage of ordinary shares held
<i>Subsidiary undertakings</i>			
Sheffield International Venues Limited	Management of sporting and entertainment facilities and provision of catering and conferencing services	England and Wales	100
7 Hills Leisure Trust	Management of sporting and recreational facilities	England and Wales	-*
7 Hills Commercial Limited	Provision of catering services	England and Wales	100**
Phoenix Sports Limited	Operation and strategic direction of English Institute of Sport- Sheffield (EISS)	England and Wales	-*
SIV Enterprises Limited	Management of sporting and recreational facilities, a catering facility and the provision of consultancy services	England and Wales	100***

Notes to the financial statements *(continued)*

13 Investments - Company *(continued)*

In the opinion of the directors the investments in and amounts due from the charity's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

*In respect of Phoenix Sports Limited and 7 Hills Leisure Trust, whilst their corporate structures are limited by guarantee they are treated as investments by the group on the basis of control.

**7 Hills Commercial is held indirectly by 7 Hills Leisure Trust

***SIV Enterprises is held indirectly by Sheffield International Venues Limited

The registered office for Sheffield International Venues Limited, SIV Enterprises Limited, Phoenix Sports Limited, 7 Hills Leisure Trust and 7 Hills Commercial Limited is 23 Carbrook Hall Road, Sheffield, S9 2EH.

14 Stocks

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Goods for resale	216	123	-	9
	<u>216</u>	<u>123</u>	<u>-</u>	<u>9</u>

15 Debtors

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade debtors	434	1,480	251	891
Other debtors	497	26	-	3
Prepayments and accrued income	33,390	34,067	33,125	33,109
Amounts owed by group undertakings	-	-	-	1,492
Corporation tax	35	78	-	-
	<u>34,356</u>	<u>35,651</u>	<u>33,376</u>	<u>35,495</u>

Prepayments and accrued income includes £32,490,000 (2021: £32,490,000) of grant income due from Sheffield City Council following the disposal of Don Valley Stadium and the restructuring of the finance leasing arrangements. This debtor is expected to be received at the date at which the bonds are settled in 2024 under the funding arrangements referred to in note 17.

The carrying value of trade receivables is considered a reasonable approximation of fair value.

Notes to the financial statements *(continued)*

16 Creditors: amounts falling due within one year

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Bank loans (see note 17)	232	82	232	82
Other loans	-	1,171	-	1,171
Obligations under finance leases (see note 17)	217	308	217	308
Bonds	16,559	15,570	16,559	15,570
Trade creditors	1,335	1,134	1,313	680
Other creditors including taxation and social security	9,238	8,999	798	431
Accruals and deferred income	2,341	2,367	1,920	1,161
Amounts owed to group undertakings	-	-	2,460	9,226
	<u>29,922</u>	<u>29,631</u>	<u>23,499</u>	<u>28,629</u>

Amounts owed to group undertakings are interest free and repayable on demand.

The carrying amount of trade and other payables approximates to their fair value.

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Bank loans	259	219	259	219
Other loans	3,513	2,342	3,513	2,342
Obligations under finance leases	97	270	97	270
Bonds	17,600	34,155	17,600	34,155
Sheffield City Council	106,258	90,688	106,258	90,688
	<u>127,727</u>	<u>127,674</u>	<u>127,727</u>	<u>127,674</u>

The charity has two bank loans to fund the purchase of fixed assets at a rate of 4.5% and 3.87%, with an outstanding balance of £183,000 and £36,000 respectively, at the year end. During the year the charity took on two further bank loans to fund fixed assets at a rate of 3.87% and 4.9% with an outstanding balance at the year end of £70,000 and £202,000 respectively.

During 2014 the charity took a five year loan of £3,500,000 from Sheffield City Council for the refurbishment of the Sheffield Arena at an interest rate, per annum, of 2.0% above the Bank of England's base rate and during 2015 the charity took a five year loan of £1,750,000 from Sheffield City Council for the refurbishment of Ponds Forge International Sports Centre at an interest rate, per annum, of 2.0% above the Bank of England's base rate. These loans were consolidated into a combined loan of £1,575,000 in January 2019 over five years at a rate of 2% above the Bank of England's base rate, with a balance at 31 March 2022 of £1,313,000.

In 2020, the charity received a five year loan of £1,000,000 from Sheffield City Council to assist with cashflow at an interest rate of 2%, above the Bank of England's base rate and during 2021 the charity received a further 4 year loan of £1,200,000 from Sheffield City Council to assist with cashflow at an interest rate of 2% above the Bank of England's base rate. No capital repayments are now required on these loans from Sheffield City Council until August 2024.

Under the terms of the funding agreement between the charity and Sheffield City Council, the council makes payments bi-annually sufficient in value to enable the charity to meet its bond repayment obligations. These receipts are repayable to Sheffield City Council in 2024. We consider the fair value of the bonds to be £38,236,000 (2021: £55,661,000); this reflects the unit value of the bond multiplied by the last market traded value.

Notes to the financial statements *(continued)*

17 Creditors: amounts falling due after more than one year *(continued)*

The maturity of the bank and other loans is due as follows:

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Within one year	232	1,253	232	1,253
In the second to fifth years	3,772	2,561	3,772	2,561
	<u>4,004</u>	<u>3,814</u>	<u>4,004</u>	<u>3,814</u>

On 1 March 2000 the company issued £140,425,000 of bonds at an issue premium of 0.719%. The bonds attract interest payments of 6.25% paid bi-annually. The bonds are repayable at dates between 2014 and 2024. They are guaranteed by Sheffield City Council.

The bonds are stated net of unamortised issue costs of £873,000 and gross of the unamortised issue premium of £795,000.

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
The maturities of the bonds are as follows:				
Within one year	16,559	15,570	16,559	15,570
In the second to fifth years	17,600	34,155	17,600	34,155
	<u>34,159</u>	<u>49,725</u>	<u>34,159</u>	<u>49,725</u>

The maturities of obligations under the leases are as follows:

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Within one year	217	308	217	308
In the second to fifth years	97	270	97	270
	<u>314</u>	<u>578</u>	<u>314</u>	<u>578</u>

Notes to the financial statements (continued)

18 Deferred tax

	Accelerated tax depreciation £000	Other timing differences £000	2022 Total £000	2021 Total £000
At 1 April 2020	386	(249)	137	(1,413)
Movement in year	10	(598)	(588)	1,550
At 31 March 2021 & 1 April 2021	396	(847)	(451)	137
Movement in year	(259)	(314)	(573)	(588)
At 31 March 2022	137	(1,161)	(1,024)	(451)
Recognised	-	-	-	396
Unrecognised	137	(1,161)	(1,024)	(847)
	137	(1,161)	(1,024)	(451)

The deferred tax asset has not been recognised on the grounds that there is insufficient evidence that the asset will be recovered.

19 Analysis of group net assets between funds

	2022			2021		
	Unrestricted (designated and general) £000	Restricted £000	Total £000	Unrestricted (designated and general) £000	Restricted £000	Total £000
Tangible fixed assets	119,644	32,342	151,986	121,948	30,688	152,636
Intangible Assets	26	-	26	35	-	35
Net current assets	12,618	-	12,618	10,290	-	10,290
Liabilities falling due after more than one year	(127,727)	-	(127,727)	(127,674)	-	(127,674)
Provision for liabilities and charges	-	-	-	(396)	-	(396)
Pension liability (note 21)	-	-	-	(15,935)	-	(15,935)
Negative goodwill	(6,573)	-	(6,573)	(6,778)	-	(6,778)
Net assets as at 31 March 2022	(2,012)	32,342	30,330	(18,510)	30,688	12,178

Notes to the financial statements *(continued)*

20 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Operating leases which expire:				
Within one year	173	142	173	142
In the second to fifth years inclusive	326	361	326	361
More than five years	493	559	493	559
	992	1,062	992	1,062
	992	1,062	992	1,062

At 31 March 2022, the group had commitments to purchase fixed assets amounting to £105,000. This expenditure will be funded by the essential maintenance grant from Sheffield City Council.

21 Pension scheme

Defined contribution pension scheme – Group

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £210,000 (2021: £214,000).

Contributions amounting to £35,000 (2021: £22,000) were payable to the scheme and are included in creditors.

Defined benefit pension scheme - Group

The group contributed to a defined benefit pension scheme operated by South Yorkshire Pension Authority. The latest full actuarial valuation for which results are available was carried out at 31 March 2019 and were updated for FRS 102 purposes to 31 March 2022 by a qualified independent actuary. During the prior year the group also contributed to the North Yorkshire Pension Fund, however, on 31 January 2021 all members of the North Yorkshire pension Fund transferred, under the provision of TUPE, to Scarborough Borough Council and contributions ceased from this date. On 31 March 2022, the historic assets and liabilities of the groups South Yorkshire Pension Scheme were subsumed into the Sheffield City Council South Yorkshire Pension scheme. The group was discharged of its net liability on this date. The net liability discharged, included in settlements, is £12,957,000. The Trust has no liability to the plan for other entities obligations.

The information disclosed below is in respect of the whole of the plans for which the group is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2022			2021		
	South Yorkshire £000	North Yorkshire £000	Total £000	South Yorkshire £000	North Yorkshire £000	Total £000
Present value of funded defined benefit obligations	-	-	-	(64,464)	-	(64,464)
Fair value of plan assets	-	-	-	48,570	-	48,570
	-	-	-	(15,894)	-	(15,894)
Present value of unfunded defined benefit obligations	-	-	-	(41)	-	(41)
	-	-	-	(15,935)	-	(15,935)
Net liability	-	-	-	(15,935)	-	(15,935)

Notes to the financial statements *(continued)*

21 Pension scheme *(continued)*

Movements in present value of defined benefit obligation

	2022			2021		
	South Yorkshire £000	North Yorkshire £000	Total £000	South Yorkshire £000	North Yorkshire £000	Total £000
At beginning of year	64,505	-	64,505	53,777	2,325	56,102
Current service cost	791	-	791	828	41	869
Interest cost	1,365	-	1,365	1,284	44	1,328
Curtailement	-	-	-	230	8	238
Actuarial losses	-	-	-	9,072	925	9,997
Contributions by members	133	-	133	169	7	176
Benefits paid	(248)	-	(248)	(855)	(46)	(901)
Settlements	(66,546)	-	(66,546)	-	(3,304)	(3,304)
At end of year	-	-	-	64,505	-	64,505

Movements in fair value of plan assets

	2022			2021		
	South Yorkshire £000	North Yorkshire £000	Total £000	South Yorkshire £000	North Yorkshire £000	Total £000
At beginning of year	48,570	-	48,570	40,688	2,425	43,113
Expected return on plan assets	1,023	-	1,023	977	47	1,024
Actuarial gains	3,677	-	3,677	6,886	581	7,467
Administration expenses	-	-	-	(12)	-	(12)
Contributions by employer	434	-	434	717	61	778
Contributions by members	133	-	133	169	7	176
Benefits paid	(248)	-	(248)	(855)	(46)	(901)
Settlements	(53,589)	-	(53,589)	-	(3,075)	(3,075)
At end of year	-	-	-	48,570	-	48,570

Expense recognised in the statement of financial activities

	2022			2021		
	South Yorkshire £000	North Yorkshire £000	Total £000	South Yorkshire £000	North Yorkshire £000	Total £000
Current service cost	791	-	791	828	41	869
Effect of curtailments	-	-	-	230	8	238
Liabilities extinguished on settlement	(66,546)	-	(66,546)	-	(3,304)	(3,304)
Assets distributed on settlement	53,589	-	53,589	-	3,075	3,075
Administration expenses	-	-	-	12	-	12
Interest on defined benefit pension plan obligation	1,365	-	1,365	1,284	44	1,328
Expected return on defined benefit pension plan assets	(1,023)	-	(1,023)	(977)	(47)	(1,024)
Total	(11,824)	-	(11,824)	1,377	(183)	1,194

Notes to the financial statements *(continued)*

21 Pension scheme *(continued)*

The expense is recognised in the following line items in the statement of financial activities:

	2022			2021		
	South Yorkshire £000	North Yorkshire £000	Total £000	South Yorkshire £000	North Yorkshire £000	Total £000
Staff costs	(12,166)	-	(12,166)	1,070	(180)	890
Other finance (income)/costs	342	-	342	307	(3)	304
Total	(11,824)	-	(11,824)	1,377	(183)	1,194

The total amount recognised in the statement of financial activities in respect of actuarial gains is £3,677,000 (2021: £2,530,000 loss).

The fair value of the plan assets and the return on those assets were as follows:

	2022			2021		
	South Yorkshire £000	North Yorkshire £000	Total £000	South Yorkshire £000	North Yorkshire £000	Total £000
Equities	-	-	-	23,847	-	23,847
Government debt	-	-	-	6,557	-	6,557
Corporate bonds	-	-	-	3,983	-	3,983
Property	-	-	-	4,420	-	4,420
Other	-	-	-	9,763	-	9,763
Total	-	-	-	48,570	-	48,570
Actual return on plan assets	4,700	-	4,700	7,862	628	8,490

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories.

Principal actuarial assumptions (expressed as weighted averages) at the period end were as follows:

South Yorkshire pension scheme	2022	2021
	%	%
Discount rate	2.7	2.1
Expected rate of return on plan assets	2.7	2.1
Rate of increase in salaries	4.2	4.0
Rate of inflation	3.7	2.7
Rate of increase in pensions	3.2	2.8

In valuing the liabilities of the pension fund at £nil mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

- Current pensioner aged 65: 22.6 years (male), 25.4 years (female)
- Future retiree upon reaching 65: 24.1 years (male), 27.3 years (female)

Notes to the financial statements (continued)

21 Pension schemes (continued)

History of plans

The history of the plans for the current and prior periods is as follows:

Balance sheet

South Yorkshire pension scheme	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Present value of scheme liabilities	-	(64,464)	(53,737)	(56,576)	(51,700)	(53,562)
Fair value of scheme assets	-	48,570	40,688	43,435	41,748	40,355
Present value of unfunded defined benefit obligations	-	(41)	(40)	(54)	(55)	(59)
Deficit	-	(15,935)	(13,089)	(13,195)	(10,007)	(13,266)

Experience adjustments

	2022 %	2021 %	2020 %	2019 %	2018 %	2017 %
Experience losses/(gains) on scheme liabilities as a percentage of scheme liabilities	-	14.1	(8.4)	6.1	(7.1)	19.4
Experience gains/(losses) on scheme assets as a percentage of scheme assets	-	14.2	(8.7)	3.0	1.5	15.5

The group expects to contribute at a rate of 17.5% in respect of active members to its defined benefit plan in the next financial year, the assets and liabilities of which have been subsumed within the Sheffield City Council South Yorkshire Pension Authority scheme.

Defined contribution pension scheme - Company

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £210,000 (2021: £201,000). Contributions amounting to £35,000 (2021: £22,000) were payable to the scheme and are included in creditors.

Defined benefit pension scheme - Company

The charity contributed to a defined benefit pension scheme operated by South Yorkshire Pension Authority. The latest full actuarial valuation for which results are available was carried out at 31 March 2019 and was updated for FRS 102 purposes to 31 March 2022 by a qualified independent actuary. On 1 April 2019, the 7 Hills Leisure Trust and the Sheffield International Venues Limited South Yorkshire Pension schemes, were transferred into the Sheffield City Trust South Yorkshire Pension scheme. The assets and liabilities transferred were settled through capital contribution/donations to Sheffield International Venues Limited and 7 Hills Leisure Trust respectively. On 31 March 2022, the historic assets and liabilities of the charity's South Yorkshire Pension Scheme were subsumed into the Sheffield City Council South Yorkshire Pension scheme. The charity was discharged of its net liability on this date.

The information disclosed below is in respect of the whole of the plans for which the company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2022 £000	2021 £000
Present value of funded defined benefit obligations	-	(64,505)
Fair value of plan assets	-	48,570
Net liability	-	(15,935)

Notes to the financial statements *(continued)*

21 Pension schemes *(continued)*

Movements in present value of defined benefit obligation

	2022 £000	2021 £000
At beginning of year	64,505	53,777
Current service cost	791	828
Interest cost	1,365	1,284
Curtailement	-	230
Actuarial losses	-	9,072
Contributions by members	133	169
Benefits paid	(248)	(855)
Settlements	(66,546)	-
	<hr/>	<hr/>
At end of year	-	64,505
	<hr/> <hr/>	<hr/> <hr/>

Movements in fair value of plan assets

	2022 £000	2021 £000
At beginning of year	48,570	40,688
Expected return on plan assets	1,023	977
Actuarial gains	3,677	6,886
Administration expenses	-	(12)
Contributions by employer	434	717
Contributions by members	133	169
Benefits paid	(248)	(855)
Settlements	(53,589)	-
	<hr/>	<hr/>
At end of year	-	48,570
	<hr/> <hr/>	<hr/> <hr/>

Expense recognised in the statement of financial activities

	2022 £000	2021 £000
Current service cost	791	828
Effect of curtailments	-	230
Liabilities extinguished on settlement	(66,546)	-
Assets distributed on settlement	53,589	-
Interest on defined benefit pension plan obligation	1,365	1,284
Expected return on defined benefit pension plan assets	(1,023)	(977)
Administration expenses	-	12
	<hr/>	<hr/>
Total	(11,824)	1,377
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

21 Pension schemes *(continued)*

The expense is recognised in the following line items in the statement of financial activities:

	2022 £000	2021 £000
Staff costs	(12,166)	1,070
Other finance income	342	307
Total	(11,824)	1,377

The total company amount recognised in the statement of financial activities in respect of actuarial gain is £3,677,000 (2021: £2,186,000 loss).

The fair value of the plan assets and the return on those assets were as follows:

	2022 Fair value £000	2021 Fair value £000
Equities	-	23,847
Government debt	-	6,557
Corporate bonds	-	3,983
Property	-	4,420
Other	-	9,763
Total	-	48,570
Actual return on plan assets	4,700	7,862

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories.

Notes to the financial statements *(continued)*

21 Pension schemes *(continued)*

Sensitivity analysis

The group has not performed sensitivity analysis in respect of small changes in assumptions as the liability is £nil and as such any changes in assumption would have no impact.

RPI and CPI inflation

CPI has been derived by deducting a margin from the market-implied RPI to, in part, allow for supply/demand distortions in the investment markets and in part because CPI is currently a lower measure of inflation. In 2020, it was announced that RPI will be aligned with CPIH from 2030 onwards. Because CPIH construction generally gives lower inflation figures than RPI, this means RPI inflation will be lower from 2030.

Nature of benefits

On retirement, individuals that were members of the defined benefit pension scheme prior to April 2008 receive a cash lump sum on retirement, which they can elect to increase to a maximum of 25% of their pensionable pay, and will receive the remainder of their pension in equal instalments over the remainder of their life, with 50% of their annual pension then being paid to their spouse. Members of the scheme joining after April 2008, do not automatically receive a lump sum on retirement, but can elect to receive up to 25% of their pensionable pay, and will receive the remainder of their pension in equal instalments over the remainder of their life, with 50% of their annual pension then being paid to their spouse.

Regulatory framework in which the plan operates

Sheffield City Trust participated in one defined benefit pension scheme during the year operated by the South Yorkshire Pension Authority (“Administering Authority”) during the year which form part of the Local Government Pension Scheme for local government and related employees in England and Wales (“LGPS”).

The LGPS is established under and governed by:

- the Superannuation Act 1972;
- the Public Service Pensions Act 2013;
- the Local Government Pension Scheme Regulations 2013, SI 2013/2356;
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, SI 2014/525;
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, SI 2016/946; and
- the Local Government Pension Scheme (Amendment) Regulations 2018, SI 2018/493.

Notes to the financial statements *(continued)*

21 Pension schemes *(continued)*

Other entities responsibilities for governance of the plan

The LGPS is a funded, statutory, public sector pension scheme administered, managed and funded at a local level. Sheffield City Trust is an admission body for the purpose of the LGPS and the scheme in which it participates further to admission agreements entered into with the relevant Administering Authority.

The Administering Authority governs each regional LGPS with the support from the Local Pension Board and the Scheme Advisory Board. Nonetheless, it is the Administering Authority who has the primary responsibility for the management and administration of its LGPS fund.

Under relevant legislation and policy the underlying investment fund of each Administering Authority is consolidated into a larger regional fund under a single investment body. The funds administered by the South Yorkshire Pension Authority are consolidated into is the Border to Coasts fund.

The Local Pension Board assists the Administering Authority to secure compliance with the LGPS regulatory framework and generally to ensure the efficient and effective governance and administration of the LGPS. The Scheme Advisory Board is a single Board existing at national level with responsibility for providing advice to the Secretary of State on the desirability of making future changes to the LGPS. The Board also provides advice to the Administering Authority and Local Pension Board in relation to administration and management of the LGPS and its funds.

In addition to the above, the Pensions Regulator is responsible for setting standards of governance and administration in public service pension schemes and has extended regulatory oversight of such schemes.

22 Related party transactions

Directors and key management

Remuneration amounting to £468,000 (2021: £636,000) was paid to directors and other key management during the year. In addition, the charity made contributions of £58,000 (2021: £166,000) to defined benefit schemes in respect of the directors and other key management. The remuneration includes gross redundancy payments amounting to £nil (2021: £54,000) and additional payments to the defined benefit pension scheme of £nil (2021: £81,000) due to redundancy.

23 Accounting estimates and judgements

In preparing these financial statements, the trustees have had to make the following judgements:

Determine whether there are indicators of impairment of the charity's non-current assets. The investments were fully impaired in the prior year and there is no indication in the current financial year that would result in a reversal of this impairment.

Going Concern; As disclosed in note 1, the financial viability of the Trust is dependent on both continued support from the council (working capital and venue investment) and to achieving the trading assumptions in the business plan to August 2024. The operating environment presents a number of challenges which could contribute to the Trust failing to achieve its operational cash flow forecasts. The plan is monitored closely by the Trustees.

Other key sources of estimation uncertainty are:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Defined benefit pension liabilities are calculated using assumptions and estimates over key metrics and drivers of change. The charity relies upon an expert third party, an actuary, to calculate the impact of these assumptions upon any pension liability. Management assesses the adequacy of assumptions used on an annual basis. Sensitivity analysis, together with assumptions used, have been included in note 21.

SHEFFIELD CITY TRUST

England & Wales - Charity number 700520

Accounts

Sheffield City Trust

**Annual report and consolidated
financial statements**

Registered number 2164600

Charity Registration Number 700520

Year ended 31 March 2021

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Trustees' and directors' report (including strategic report)

The trustees, who act as directors for the purpose of company law, are pleased to present their report and financial statements for the year ended 31 March 2021.

Purpose of the charity

The objects of the charity are as detailed in the charity's governing document, its Memorandum of Association.

- 1 An object of the charity is to promote the benefit of the inhabitants of South Yorkshire and surrounding counties by the provision of facilities for recreation and leisure time occupation in the interest of social welfare. The charity has continued in its policies of providing recreational and other leisure facilities of a high standard and as economically as possible. The charity seeks to encourage high levels of use by the community with policies that encourage wide public access. There has been no material change in these policies over the relevant period.
- 2 A further object of the charity is to promote and preserve good physical and mental health. The objective is pursued by encouraging high levels of use of recreational and leisure facilities by the community. In addition, the charity has a policy of carrying out ad hoc initiatives and giving financial support to appropriate projects which has been continued during the year.
- 3 Further objects of the charity include the encouragement of the arts and the acquisition, preservation, restoration and maintenance of buildings of historic and architectural interest in Sheffield.

Activities

In furtherance of the charity's object to provide facilities for recreation and other leisure time occupations, following the transfer of the operations of Sinfin Golf Course and Westfield Sports Centre on 1 May 2020 and 1 November 2020 respectively, from 7 Hills Leisure Trust, a sister charity which forms part of the group, and the transfer of the operations of Tapton Golf Course on 1 May 2020 from SIV Enterprises Limited, another group company, Sheffield City Trust operated the following facilities directly in the year:

- Beauchief Golf Course
- Birley Golf Course
- Concord Sports Centre
- Heeley Swimming Pool and Gym
- Hillsborough Leisure Centre
- iceSheffield
- Ponds Forge International Sports Centre
- Sinfin Golf Course (from 1 May 2020)
- Springs Leisure Centre
- Tapton Park Golf Course (from 1 May 2020)
- Tinsley Park Golf Course
- Westfield Sports Centre (from 1 November 2020)

The charity has continued to operate the following facilities through Sheffield International Venues Limited:

- English Institute of Sport – Sheffield (EISS)
- Sheffield Arena (formerly FlyDSA Arena)
- Sheffield City Hall

7 Hills Leisure Trust, a sister charity, operated the following venues:

- Sinfin Golf Course (until 30 April 2020)
- Westfield Sports Centre (until 31 October 2020)

Sheffield International Venues Limited also acts as principal for all commercial activity within the above venues and has a trading subsidiary, SIV Enterprises Limited, which operated the following venues:

- Peasholm Park Café (until 31 January 2021)
- Scarborough Spa (until 31 January 2021)
- Tapton Park Golf Course (until 30 April 2020)
- Whitby Pavillion (until 31 January 2021)

Trustees' and directors' report (including strategic report) (continued)

Activities (continued)

On 1 February 2021, SIV Enterprises Limited ended its contract with Scarborough Borough Council to operate Scarborough Spa, Whitby Pavilion and Peasholm Park Café. Operation of these venues passed back to Scarborough Borough Council on this date.

Any profits made by either Sheffield International Venues Limited or SIV Enterprises Limited are, where the company has sufficient distributable reserves, passed back to the charity by way of a gift aided payment.

The operation of leisure facilities continues to be the primary way in which the two main objects of the charity are achieved. The trustees ensure that participation continues to grow and benchmark attendance against national standards. Prices are set at a level that encourages use by as many people as possible and many facilities are full at peak times.

The trustees are disappointed in attendance levels during the year. However, this is understandable given the impact Covid-19 has had, requiring all venues to close for various periods during the financial year and also impacting on what services can be offered and how they can be offered when the venues were able to open. As public confidence starts to grow, the trustees anticipate an increase in attendances, demonstrating the benefits of the charity's policy of seeking to maximise the potential of all users, whether community users or elite athletes, by encouraging use side by side in the same venues. Both the goals of participation and maximising potential contribute to the object of promoting and preserving good physical and mental health.

Despite the significant impact that Covid-19 has had on the Charity some activity has been able to continue throughout the year. A number of elite and professional sports have continued to operate during the 12-month period, within strict and specific guidance. Along with having to meet these criteria, they also have paid additional amounts of their contracted rent and usage as part of a directive from UK Sport. This has meant that at the English Institute of Sport – Sheffield GB Boxing, GB Para Badminton, GB Para Table Tennis and GB Wheelchair Basketball have continued to train in preparation for Tokyo 2021, which has been delayed from 2020. At Ponds Forge International Sports Centre the professional basketball team, the Sheffield Sharks have continued to train and have played Basketball League fixtures behind closed doors.

The charity, and the wider group, partner with the National Centre for Sport and Exercise Medicine in Sheffield ('NCSEM') where clinical facilities are co-located with facilities for sport and exercise. NHS patients are treated at Concord Sports Centre in an environment which promotes physical activity as medicine. The centre also promotes physical activity as a prime preventer of ill health. The NCSEM at Concord has continued to operate throughout the pandemic, with abnormal operating cost being picked up by the NCSEM.

Throughout the pandemic, where venues have been permitted to open, the activities provided in venues have carefully followed and complied with the guidelines set out by the government, however, this has seen a reduced number of activities being offered to customers and a reduced number of people able to attend each activity. At different stages of the pandemic, we have seen our gyms and swimming pools reopen, as well as group exercise resume when permitted. Team sports have suffered in the year, having had little or no opportunity to return, apart from for under 18's.

The charity has been unable to deliver or host any spectator events during 2020/21 as a result of Covid-19 and has seen little or no opportunity for secondary spend, in particular catering, as again the guidance/restrictions from central government has resulted in reduced footfall.

One opportunity from Covid-19, has been outdoor activity, with restrictions pushing people positively into finding different ways to exercise/socialise, one of these ways being golf. The charity's 5 golf courses, when permitted to open, have performed well, seeing a significant increase in golfers, new and old, wanting to play and socialise in the fresh air, no matter the season or weather.

The charity does not set targets for grant giving as it is a comparatively small part of the work undertaken. As stated above, the provision and management of the facilities is the primary method of meeting the objects of the charity. The trustees monitor the level of funds in the designated fund (see note 4 of the financial statements) in order to ensure that they make best use of the limited income available and do make grants to community groups in Sheffield in order to support their work promoting sports and physical activity within their communities.

Trustees' and directors' report (including strategic report) (continued)

Activities (continued)

The charity continues to encourage the arts by the promotion of the Sheffield International Concert Season in Sheffield City Hall, however this has been unable to take place in the current financial year, as the venue has remained closed throughout the pandemic. The venue has however, been able to support local partnerships, being used by St Luke's Hospice to provide essential off-site training facilities.

Other venues within the charitable group have also been utilised to assist the NHS and help the fight against Covid-19 with Sheffield Arena being used as a drive-in Phlebotomy service, to allow patients with non-Covid related conditions to give blood safely. The venues hospitality area is being used by the Northern General hospital's ophthalmology department to see patients with non-Covid related conditions and, in January 2021, Sheffield Arena became a large-scale vaccination centre where it offers the Astra Zeneca, Moderna and Pfizer vaccines at least 12 hours a day, 7 days a week. The venue's auditorium has also been used as a logistics storage and distribution space, with items such as PPE and additional hospital beds being stored at the venue for both the NHS and Sheffield City Council from April to September 2020.

In measuring achievements against the above objectives, the charity uses financial measures, a review of which is given below. In addition to financial performance measures, the charity monitors the performance of its venues using non-financial key performance indicators that give information regarding attendance at each venue by activity, and split attendances by age and gender. These performance indicators are monitored against targets and previous years' results.

Financial Review

The funding agreements for the venues between the charity and Sheffield City Council, Scarborough Borough Council and Derby City Council mean the charity is entitled to receive income from these councils to fund its operating activities which in the year amounted to £12,186,000 (2020: £7,423,000).

When considering the financial performance of the charity the trustees examine the results of each facility that the charity operates. In 2020/21 financial performance and attendance levels from community usage were below expectation which, whilst disappointing, is understandable given the closure of venues due to Covid-19 for a significant part of the year. Whilst most venues have reopened, in one form or another, at some point during the year, attendances, with the exception of golf, have been lower than normal due to operating restrictions that remain in place, customer confidence and also continuing difficult economic circumstances for the majority of users. The charity has sought to minimise the impact of the closures through careful monitoring of costs and taking advantage of available government funding such as the Coronavirus Job Retention Scheme, the Culture Recovery Fund, lockdown grants and business rates relief. The group has negative unrestricted general reserves at 31 March 2021 of £3,087,000 (2020: negative £1,125,000). The Trustees are confident that over future periods, as Covid restrictions continue to ease, it will be possible to gradually move towards having positive unrestricted general reserves as was anticipated when the charity was established.

Total incoming resources amounted to £25,820,000 (2020: £40,184,000) and total resources expended amounted to £28,300,000 (2020: £41,710,000) resulting in net outgoing resources before tax of £2,480,000 (2020: £1,526,000).

The results of the charity's trading subsidiary, Sheffield International Venues Limited, its subsidiary SIV Enterprises Limited, the subsidiary charity, 7 Hills Leisure Trust and also Phoenix Sports Limited are set out in note 2 to the financial statements.

The principal activities of Sheffield International Venues Limited in the year under review were the management of the facilities to deliver commercial income. These activities are in support of the charity's activities such as providing public catering in the buildings and supporting elite athletes to use the spaces when not in use by the general public. Sheffield International Venues also manages unrelated commercial activity that raises the profile of the charity and its facilities and generates income which is used to support the core charitable activities.

The trustees reviewed the trading model, during the previous financial year and found that whilst the SIV logo was well understood in Sheffield to represent the venues and all activities of the charity and the wider group, the trustees felt that it was important to promote and raise awareness of the charitable status of the organisation and gain recognition for what the trust does across Sheffield, particularly within the communities. As such, the trustees rebranded the group as Sheffield City Trust from July 2020.

Trustees' and directors' report (including strategic report) (continued)

Financial Review (continued)

The principal activities of 7 Hills Leisure Trust during the period under review was the operation of one school/community leisure facility and one golf course following the transfer of the operations of all other venues to Sheffield City Trust on 1 April 2019. The operation of the remaining venues, Westfield Sports Centre and Sinfin Golf Course, were transferred to Sheffield City Trust during the year on 1 November 2020 and 1 May 2020 respectively.

Following the transfer of a number of venues to Sheffield City Trust on 1 April 2019 and during the currently financial year, the activities of Sheffield City Trust in the year under review includes the operation of leisure facilities and golf courses.

Business review

The trustees consider the general trend in financial performance of the venues to be satisfactory considering the general economic climate and the significant impact of Covid-19 and government restrictions that have been put in place. As a result of the restrictions all venues were closed on 17 March 2020 and as noted above reopened at various points throughout the year.

Sheffield City Council has confirmed its support for the charity and discussions with the council continue in a robust, constructive atmosphere. The council committed to a partnership which, for three venues (Sheffield Arena, Ponds Forge International Sports Centre and Hillsborough Leisure Centre) ends in 2023/24 to support the charity and enable longer term financial planning. The support provided gives the certainty necessary for the trustees to develop a plan to continue to deliver services at its current levels. The trustees believe investment can be made in the facilities in a financially sustainable way in partnership with Sheffield City Council and are working with Sheffield City Council on the medium to long term strategy.

As disclosed in note 1, the financial viability of the charity is dependent on both continued support from the council (working capital and venue investment) and to achieving the trading assumptions in the 3 year business plan to March 2024. We believe that the forecasts, including revenue growth and cost assumptions, included in the plan are achievable, subject to the required investment from Sheffield City Council and no further adverse impact from Covid-19 e.g. further periods of lockdown and changes in the roadmap for reopening the entertainment venues. The management team continues to meet on a monthly basis to review performance against the budget and, where there are shortfalls, looks at actions to address these, including the reduction of costs where necessary. Performance year to date is broadly on budget.

Sheffield City Council has provided a letter of support to Sheffield City Trust confirming various levels of support including legally binding support in the form of a 'shortfall funding agreement' and non-legally binding support in the form of working capital cash flow support and venue specific funding.

Based on all of the above the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Our pricing policy

Prices are set to enable as many people as possible to use the facilities while ensuring that income generated is sufficient to cover the costs of the charity. As funds provided by Sheffield City Council have reduced year on year and costs rise, a higher level of income must be generated by use of the facilities from both core charitable activities and commercial activities, managed by another company within the group. It is essential that prices are affordable and in no way create a barrier to use of the facilities by any of the people of Sheffield and concessionary prices are used to ensure that the least wealthy are able to attend.

The trustees review pricing for all charitable activities on an annual basis in order to deliver the best possible facilities to all citizens of Sheffield at affordable prices.

Investment powers and policy

The trustees balance the needs of the organisation to have funds available for the operations of the charity and the need to maximise investment returns. At present interest rates are low and little additional income is gained by the use of deposit accounts, but the bank accounts of the charity and its subsidiaries are managed to maximise the income earned.

No funds are invested in non-cash assets such as property or shares. All property owned by the charity is in order to deliver services directly to the beneficiaries. The trustees believe that the level of cash and bank assets owned is insufficient for the charity to consider investment in stock, shares or bonds, particularly in the current volatile climate for investments.

Trustees' and directors' report (including strategic report) (continued)

Pension Scheme

On 1 April 2019, the employees of Sheffield International Venues Limited, 7 Hills Leisure Trust and employees of SIV Enterprises Limited based at Tapton Golf Course, were transferred under the provision of TUPE to Sheffield City Trust.

The charitable group provided a defined benefit pension scheme available to all employees of the charity and Sheffield International Venues Limited until September 2009. This scheme is still accruing benefits for all employees whose employment commenced before 1 September 2009, but it is closed to new members. The defined benefit scheme is provided by the group's contribution to the South Yorkshire Pension Authority scheme ("SYPA"). Benefits continue to accrue for the employees of Sheffield International Venues Limited whose employment commenced before 1 September 2009, following their transfer, under the provisions of TUPE, to Sheffield City Trust on 1 April 2019.

Those employees of the group who transferred into 7 Hills Leisure Trust on 2 April 2012 or December 2014 and subsequently into Sheffield City Trust on 1 April 2019, who were already members of the SYPA scheme continue to be members. Those employees of the group who transferred into the 7 Hills Leisure Trust from Derby City Council under the provisions of TUPE remained members of the Derbyshire Pensions Authority scheme ("DPA") until their transfer to Sheffield City Trust on 1 April 2019 at which point they became members of the SYPA scheme. Individuals were given the option to transfer their benefits from the DPA scheme to the SYPA scheme or leave them in the DPA scheme. 7 Hills Leisure Trust ceased its membership of the DPA scheme on 1 April 2019.

The employees of SIV Enterprises Limited who were members of the North Yorkshire Pension Authority ("NYPA") scheme having transferred into the company from Scarborough Borough Council under the provisions of TUPE, transferred back to Scarborough Borough Council on 1 February 2021 under the provision of TUPE. SIV Enterprises Limited ceased its membership of the NYPA scheme on this date. Those employees of SIV Enterprises Limited who transferred into the company from Chesterfield Borough Council remained members of the DPA scheme until their transfer to Sheffield City Trust on 1 April 2019 at which point they became members of the SYPA scheme. Individuals were given the option to transfer their benefits from the DPA scheme to the SYPA scheme or leave them in the DPA scheme. SIV Enterprises Limited ceased its membership of the DPA scheme on 1 April 2019.

All new employees since 1 September 2009 who didn't join under the provisions of TUPE have been eligible to join a defined contribution, group money purchase scheme. Since 1 January 2014 the group has provided pensions under the auto-enrolment provisions and all new employees are automatically enrolled into the group money purchase scheme unless they decide to opt out.

In common with many defined benefit pension schemes, the group's schemes are in deficit at a consolidated level. Under the provisions of FRS 102, the group is required to show this deficit within its reserves. As a result of this inclusion the unrestricted reserves of the group are in deficit by a considerable amount. Valuations for the purpose of FRS 102 can vary year to year due to the movement in equity and gilt markets. The deficit under FRS 102 was higher in March 2021 than March 2020. The trustees have received information from the scheme's actuaries regarding the deficit based on a tri-annual full actuarial valuation at 31 March 2019 and additional contributions are being made in order to eliminate the deficit over a reasonable period. This has been updated for the purposes of FRS 102 to 31 March 2021 by a qualified actuary.

The trustees acknowledge that the pension deficit is real and will have to be addressed over a reasonable timescale, but do not believe that it significantly impairs the ability of the group to continue in operation in the short term. Rather, they believe that the guidelines from the scheme's actuaries suggesting increasing additional contributions in future years are reasonable and manageable. They note that the calculations required by FRS 102 are different from those used by actuaries to set future funding rates and believe that the funds that will need to be put into the fund in the coming years in order to address the remaining deficit over a reasonable timescale are affordable and will not put a disproportionate additional cost on the total operating costs of the charity.

The pension deficit is shown separately within unrestricted funds for clarity and the reserves policy below relates to the remainder.

Reserves policy

The reserves of the charity are split between restricted and unrestricted funds. It is the policy of the trustees to spend unrestricted reserves in pursuit of the charitable objectives in a way that maximises their value in meeting those objectives. At the end of the financial year, the charity had consolidated unrestricted funds of negative £18,510,000 (2020: negative £13,614,000) and restricted funds of £30,688,000 (2020: £30,715,000).

The restricted funds of the charity at 31 March 2021 are set out in note 5 of the financial statements.

Trustees' and directors' report (including strategic report) (continued)

Reserves policy (continued)

The level of unrestricted reserves at the end of the financial year of negative £18,510,000 includes a net pension deficit of £15,935,000 (2020: £12,989,000 deficit). The trustees believe it is appropriate to hold reserves in order to meet the future depreciation of capital assets (other than restricted assets) and to provide some "buffer" should future operations fall short of financial budgets. The trustees believe that an appropriate level of reserves would be sufficient to support operations for six months while the trustees realised the assets and transferred the activities of the charity to another organisation that could deliver the goals of the charity. Unrestricted reserves before the net pension deficit were negative £2.6m (2020: negative £0.6m) and the trustees are aware of the need to address this deficit in the short to medium term and have discussed this with their partners, Sheffield City Council and continue to work with them in terms of a long-term funding strategy. Covid-19 continues to impact on the charity's ability to address the reserves position, for further information refer to 'plans for future periods'.

The letter of support from Sheffield City Council confirming support for the group for 12 months from approval of these financial statements, together with the positive cash balances held by the charity, provide the trustees with the necessary comfort to continue trading and prepare these accounts on a going concern basis.

Plans for future periods

The trustees considered the future of the charity and how it might achieve its reserves target and deliver its charitable objects in the long term. It was determined that the beneficiaries would be best served if all the charitable activities within the group were delivered by one rather than two charities and hence by 1 November 2020 the operations of all venues had been transferred to Sheffield City Trust from 7 Hills Leisure Trust. In doing this the Trustees believe that the streamlined group structure will drive further efficiencies and ultimately improve the resources available to deliver the charitable objects of both charities.

As noted above, as a direct result of Covid-19, all venues were closed on 17 March 2020, however whilst the majority of venues have reopened during the year, albeit at a reduced offering and capacity, both the Sheffield Arena and Sheffield City Hall remain closed for events at the date of signing these accounts. It is expected that these venues will remain closed until government guidance in respect of mass participation events are relaxed or removed in line with the national road map. The trustees plan to reopen the venues as soon as it is practical and safe to do so after this date.

As stated above, the trustees are working with Sheffield City Council on longer term funding certainty and have agreed with Sheffield City Council that the charity will continue to operate the facilities directly, and via its group companies, until at least 2023/24 and jointly look to invest in them as funding permits. This agreement gives a degree of certainty and enables longer term planning of programme development.

The discussions with the council have included the strategy of the charity to continue to encourage the directors of Sheffield International Venues to pursue such commercial activities as can be performed in and around Sheffield as will bring in additional income without reducing the ability of the charity to provide services to its beneficiaries.

The performance of the group in the first quarter of 21/22 was satisfactory, when taking into account the impact of Covid-19. As the customer confidence begins to grow and restrictions are further lifted, it is the intention of the trustees to continue to invest in them as much as possible and to maximise attendances, particularly during these challenging economic times.

Impact of Brexit

Following the UK's departure from the European Union on 31 January 2020, the trustees have considered the impact and as yet have not identified any significant impact in his future plans. The trustees are of the view that given the nature of the business, any impact of Brexit is minimal.

Trustees' and directors' report (including strategic report) (continued)

Reference and administrative details

Charity Registration Number: 700520
Company Registration Number: 2164600

Registered Office

23 Carbrook Hall Road
Sheffield
S9 2EH

Secretary

LM Gavin

Advisers

Solicitor

Hemingways Solicitors Limited
11 Westbourne Road
Sheffield
S10 2QQ

Auditor

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Banker

Barclays Bank Plc
10-12 Pinstone Street
Sheffield
S1 2HN

Directors and directors' interests

The trustees, who also act as directors, who held office during the year and after the year end are as follows:

P Abel
H Best
L Clarke
D Grey MBE
G Moore
A Pettifer MBE
R Plews
P Taylor
J Warner

The charity has a joint Audit Committee with Sheffield City Trust. Mr J Warner, a trustee of Sheffield City Trust, is chairman of that Group Audit Committee. The Group Audit Committee members are Mr J Warner and Mr R H M Plews. Cllr N Gibson was also a member of the joint Audit Committee until his resignation on 23 September 2020. Cllr N Gibson was a Trustee of 7 Hills Leisure Trust and also a director of Sheffield International Venues Limited until 23 September 2020. Cllr M Iqbal was appointed to the joint Audit Committee on 23 September 2020 and resigned on 19 July 2021. Cllr M Iqbal was also appointed as a director, and resigned as a director, of Sheffield International Venues Limited on these dates respectively.

None of the trustees who held office at the end of the financial year had any disclosable interest in debentures of the charity or in any shares or debentures of any other group company.

According to the Register of Trustees' Interests, no rights to subscribe for debentures of the charity or in any shares or debentures of any other group company were granted to any of the trustees or their immediate families or exercised by them during the year.

Employees

The group has a policy of offering job opportunities to persons with disabilities where possible.

The group has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues.

The senior employee of the group is:

Chief Executive

Andrew Snelling

Trustees' and directors' report (including strategic report) (continued)

Insurance for trustees and officers

Insurance for trustees and officers against liabilities in relation to the group, as permitted by the Companies Act 2006, is maintained under a policy held by Sheffield City Trust. The cost of this amounted to £10,000 (2020: £5,000).

Structure, governance and management

Sheffield City Trust is a company limited by guarantee and a registered charity and is governed by its Memorandum & Articles of Association. The trustees are the members of the charity under company law.

The trustees recognise the importance of communication with beneficiaries and will issue regular newsletters and updates on specific projects and overall performance. These reports may also include some summary financial information from the financial statements of the charity.

Organisation of the charity

At present the charity has 9 trustees and is considering ways of attracting additional suitable candidates to be trustees as it aims to be governed by a board of between 12 and 20 trustees. Trustees are attracted based on advertising and introductions and are selected based on key skills. An induction process is carried out and all new trustees are invited to meet with the chairman and senior executives in order to better understand the operations of the charity. Trustee training is made available on an ad hoc basis when a need is identified.

During the year, the charity had five wholly owned subsidiaries, Sheffield International Venues Limited, SIV Enterprises Limited, Phoenix Sports Limited, a company limited by guarantee, which has complementary objects, 7 Hills Leisure Trust, a registered charity, with independent trustees, but of which the charity is the sole member and 7 Hills Commercial Limited, which was non-trading during the year.

Sheffield International Venues Limited and its wholly owned subsidiary, SIV Enterprises Limited, operate all commercial activities in the venues in order to support the charitable activity.

The overall management and control of the charity's activities and finances are vested in the Chief Executive, Andrew Snelling. The board of the charity meets monthly and Mr Snelling attends all meetings, reporting on all key operational and financial matters. There is a Group Audit Committee which meets as required and not less than three times in each financial year. There is a Charitable Purposes Committee which focuses on the work of the charity outside the venues.

Trustee induction and training

New trustees undergo an induction process in which they spend some time with the chairman and chief executive and then the other senior managers. They will also visit the various facilities of the charity in company with a senior manager and familiarise themselves with the operations of the charity and its subsidiaries.

Each trustee is invited to take a special interest in one facility in order to get an in depth understanding of that part of the charity's operations and to be able to act as a point of contact for senior management. As with any special skills that any trustees may have, this arrangement adds to the effectiveness of the trustee board but doesn't change the responsibility of all trustees for all aspects of the governance and activities of the charity.

Relationship with other charities and organisations

The charity co-operates closely with Sheffield City Council in pursuit of its charitable objectives. The relationship is conducted in accordance with formal funding agreements. A councillor and an officer of the council are invited to attend as observers at each meeting of the board. The council had one nominee director on the board of Sheffield International Venues Limited until his resignation on 19 July 2021. The council reserves the right to reappoint a director in the future.

Pay policy for senior staff

The trustees, who act as directors for the purpose of company law, consider that the board of trustees and the chief executive comprise the key management personnel of the charity in charge of directing and controlling and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received any remuneration in the year.

The pay of the chief executive is reviewed annually by the board of trustees. In view of the nature of the charity, the trustees benchmark against pay levels in other leisure trusts and other similar organisations. All such organisations are different, and the trustees are aware of the organisational complexities of the group and take this into consideration when comparing with larger charities. The trustees also look at similar job roles in the local, Sheffield, economy and other local charitable organisations to ensure that salaries are reasonable within the market.

Trustees' and directors' report (including strategic report) (continued)

Management of risk

The trustees are responsible for ensuring the effective management of risk including a system of internal financial control which is maintained by the charity. They consider risk management to be an important part of their role and endeavour to follow best practice.

During the year, the management teams at each venue have again discussed the risks identified with the members of the senior leadership team and have ensured that proper controls are in place within their venue. They have also considered each of the objectives set for the venue in the corporate strategy of the charity to ensure that the risks are linked into the operational objectives and that the process of risk mitigation is embedded in the action plans to deliver the objectives. This work of monitoring and mitigating risks within the venues continues to be a major work of the general managers at each venue. The senior leadership team regularly considers corporate risk in its meetings and updates the risk register accordingly. The Group Audit Committee reviews this process at each of its meetings as a standard agenda item providing additional checks and specific skill on top of the trustees' own monitoring process.

The trustees also believe the general economic climate to be a major risk to the charity. This will impact both in the ability of the charity to make the investments it wishes to in the venues and in the ability of customers to pay for the services offered by the charity. This risk has been further impacted by Covid-19, see further information in the Business review above.

Throughout the year it has discussed the general economic climate within the country, particularly with reference to Covid-19, and considered the impact on the charity. It was agreed that many of the people of Sheffield might find it difficult to identify disposable income to access the charity's venues and that the income of Sheffield International Venues Limited, which has been significantly impacted by Covid-19, which would result in a lower gift aid payment to the charity. The senior leadership team monitor the financial performance of the group very closely and consider pricing policy annually. The need to cover the overhead of the group with earned income makes it very difficult to get pricing right. It is essential to ensure that prices are not a barrier to all people in Sheffield being able to access the venues operated by the charity, but it's also important to ensure that sufficient income is generated to continue to maintain the facilities to an appropriate standard.

The trustees believe that a further major risk to the charity is the ability to earn adequate funds to operate and maintain the buildings in the long term. The trustees continue to review funding requirements with Sheffield City Council, even more so as a result of Covid-19. Sheffield City Council have committed to providing £6.8m of further funding for the period to 31 March 2024, specifically to enable the charity to carry out essential maintenance required on the properties managed by the charity on behalf of Sheffield City Council which will be drawn down when required and £2.1m revenue funding for the year to 31 March 2022. The trustees of the charity entered into an agreement with Sheffield City Council to operate the facilities until 2024 in order to give greater certainty of future operations and investment.

Consideration has also been given to the risks of expanding the group and the number of venues managed.

The trustees consider that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to mitigate those risks. The trustees ensure internal financial control is maintained by having a system of regular management information reports, clear administrative and financial procedures and clear lines of accounting.

Public Benefit

The trustees are aware of their duty to ensure that the charity provides a public benefit. Each year the prices charged for the charitable activities within each venue are reviewed by the trustees in order to ensure that they are reasonable and affordable to the vast majority of the citizens of Sheffield. The trustees are particularly proud of their Fitness Unlimited membership package which provides high quality fitness membership at very good value for money, the excellent coached activity programme which provides affordable access to swimming, gymnastics and trampolining lessons amongst others and of the low prices of the Sheffield International Concert Season, all of which have been significantly impacted by Covid-19 in the current financial year. In increasingly difficult economic times it is becoming difficult to maintain access to so many citizens. The trustees believe that the high levels of customer service, for which the group has won awards, demonstrates an ethos of providing the highest possible standards to all.

The charity is the only member of 7 Hills Leisure Trust and ensures that 7 Hills Leisure Trust is operated for the public benefit.

Trustees' and directors' report (including strategic report) (continued)

Stakeholder engagement and section 172 statement

The group operates in an environment which involves engagement with a wide network of stakeholders. The trustees understand that its relationships with stakeholders evolve and change over time. To respond to this, the Board keeps itself informed of its key stakeholders' interests through a combination of both direct and indirect engagement.

The trustees have regard to the interests of their stakeholders when discharging their duties. The trustees have identified the key stakeholders as its customers, employees, suppliers and the communities in which it operates. This section describes how the Board engages with its key stakeholders and how it considers their interests when making decisions. Further, it demonstrates how the board takes into consideration the long-term impact of its decisions, its desire to maintain a reputation for high standards of business conduct, and its requirement to act fairly between members of the group.

Customers

The trustees recognise that the importance of creating long lasting relationships with our customers and partners is vital to the way we do business.

For example through the quality of the experience provided in venue and interaction with our general customer base whilst in our venues, through the GP exercise referral programme that we offer and work we do with our customers to benefit the local community, we develop and build lasting relationships which work to the benefit of all parties. Our reputation and success are built on the relationships we create, and we ensure that we continue to build on these for the future.

In addition, we will carry out formal and informal feedback with customers that use our venues, using the results of this feedback to further develop relationships and make changes to the business where is it considered appropriate to do so.

In making strategic business decisions, the trustees consider their impact on customers, for example when considering the pricing structure, and aim to make business decisions that are beneficial and in the interests of the customer base.

Employees

Our people are fundamental to the charity's success. We recognise that their opinions count towards improving the workplace and the continued performance of the business.

The charity has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues. We engage with employees through employee surveys, by providing learning and development opportunities where required and through providing access to health and wellbeing initiatives.

The charity has a policy of offering job opportunities to persons with disabilities where possible.

Suppliers

The group's supply chain plays an important part in the delivery of its strategy and its success is tied to the performance of suppliers.

We continue to build strong relationships with our key suppliers and our wider stakeholder population. We are committed to securing services and supplies from local suppliers to support the strategy of the group and the importance it places on the local economy.

The group ensures that it maintains high standards of business conduct throughout its supply chain.

Communities and environment

It is important to us to support and give back to the local communities in which we operate. We operate various activities within the community, for example cook meals for homeless, volunteering in local food banks, volunteering in local schools and operating a sports van to engage with children in more disadvantaged communities. We are also committed to supporting employees to dedicate time to community and charitable activities. We continue to monitor and are committed to reducing our carbon footprint.

Trustees' and directors' report (including strategic report) (continued)

Streamlined Energy and Carbon Reporting

GHG emissions and energy use data for period 1-April-2020 to 31-March-2021

	Current Reporting Year 2020-2021	Prior Reporting year 2019-2020
	UK GHG Emission and Energy Data	UK GHG Emission and Energy Data
Energy consumption used to calculate emissions (kWh), all mandatory energy sources are included.	31,222,760	47,407,108
Scope 1: Emissions from the combustion of Natural Gas tCO _{2e}	1,864.5	2,877.2
Scope 1: Emissions from combustion of Fuel for transport and heating (Tinsley) tCO _{2e}	77.2	81.6
Scope 3: Emissions from business travel in employee owned vehicles, where the company repaid mileage claims tCO _{2e} (average vehicle / fuel source unknown)	6.4	3.8
Scope 2: Emissions from purchased Electricity tCO _{2e}	2,173.2	4,674.1
Scope 2: Emissions from purchased Heat / Steam from District Heating tCO _{2e}	1,113.1	1,286.3
Total gross CO _{2e} based on above (tCO _{2e})	5,234.4	8,923.0
Intensity Ratio: kg CO _{2e} gross based on mandatory fields above per metre square of Gross Internal Area: (kg CO _{2e} m ⁻²)	34.9 kg CO _{2e} m ⁻²	60.3 kg CO _{2e} m ⁻²

Methodology

An evidence-based methodology was adopted in accordance with BS EN ISO 14064-3:2019, Section 4.3; verifiable data has been collected from the following sources:

Energy Data:	Energy metering, invoices, supply summaries / statements, repayment claims for business mileage, fuel cards, and correspondence with suppliers.
Previous Audit Data:	ISO 50001, CRC, ESOS Phase II and Display Energy Certificates.
Emission Conversions:	All emission factors for CO ₂ have been calculated using Defra Conversions 2019, the carbon content of the District Heating Schemes has been provided by the energy supplier(s).

Energy Efficiency Action

During the reporting period; the charitable group has procured 100% REGO backed Renewable Electricity from its energy suppliers, five of the largest venues are heated by District Heating Schemes (two from Energy from Waste and three from Biomass District Heating), one venue has a Combined Heat and Power Unit installed operating from Natural Gas.

The charitable group has continued to invest in energy efficient lighting, replacement heat exchangers, direct drive ventilation fans, circulation pump upgrades and variable speed drives, in a bid to reduce energy consumption and emissions of CO₂. During the current financial year considerable investment was made in replacing the ice rink chiller at Sheffield Arena and upgrading ventilation systems at Sheffield Arena and Ponds Forge International Sports Centre.

Trustees' and directors' report (including strategic report) (continued)

Streamlined Energy and Carbon Reporting (continued)

Energy Efficiency Action (continued)

The replacement chiller plant was highlighted in the Phase II ESOS Report, it is anticipated the new equipment will reduce Electricity consumption by 420,572 kWh / 98.1 tCO₂e per year (Defra Conversion 2020).

Other initiatives being implemented from the ESOS Phase II Report are: Increased staff awareness, monitoring AHU energy via carbon desktop, and replacing / repairing the east and west AHU recirculation damper units, at Ponds Forge. This could yield potential reductions of a further 126,429 kWh / 295.3 tCO₂e per year, giving an estimated combined reduction of 547 MWh / 405.5 tCO₂e.

The charitable group have already upgraded all the Electricity and Gas metering to AMR type, however, due to change of supplier for Natural Gas the AMR data is no-longer available. During 2020, a series of gas meter upgrades were carried out, ensuring a continuous flow of reliable gas data.

Disclosure of information to auditor

The trustees who held office at the date of approval of the trustees' report and this strategic report confirm that, so far as they are each aware, there is no relevant information of which the group's auditor is unaware; and each trustee has taken all steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP therefore continued in office.

In accordance with Section 414 of the Companies Act 2006, the company has prepared a trustee's report that includes information that would be included with a strategic report. The trustees authorise both the trustees' report and strategic report below.

By order of the board

D Grey MBE
Chairman



23 Carbrook Hall Road
Sheffield
S9 2EH
26 July 2021

Company registration number 2164600
Charity registration number 700520

Statement of trustees' responsibilities in respect of the strategic report, the trustees' report and the consolidated financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and charitable company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of their profit or loss for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor’s report to the members of Sheffield City Trust

1 Our opinion is unmodified

We have audited the financial statements of Sheffield City Trust (“the Trust”) for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Company Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group’s and of the Trust’s affairs as at 31 March 2021 and of the Group’s and Trust’s incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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 are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the Trustees for the year ended 31 March 1991. The period of total uninterrupted engagement is for the 31 financial years ended 31 March 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged since 2020), in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Going concern	Disclosure quality	Our response
<p><i>Recurring risk – Group & Trust</i></p> <p><i>Refer to page 24 (accounting policy) and page 55 (financial disclosures)</i></p>	<p>The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Trust.</p> <p>That judgement is based on an evaluation of the inherent risks to the Group’s and Trust’s business model and how those risks might affect the Group’s and Trust’s financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements.</p>	<p>We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the trustees’ sensitivities over the level of available financial resources indicated by the Group’s financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively.</p> <p>Our procedures included:</p> <p>Funding assessment:</p> <ul style="list-style-type: none"> • Challenging the Group’s assessment of the ongoing support that is projected to be provided by Sheffield City Council over the foreseeable future. This includes legally binding funding along with indications that further funding will be made available.

Independent auditor's report to the members of Sheffield City Trust *(continued)*

2 Key audit matters: our assessment of risks of material misstatement *(continued)*

Going concern	Disclosure quality	Our response
	<p>The risks most likely to adversely affect the Group's and Trust's available financial resources over this period were:</p> <ul style="list-style-type: none"> • The ability of the Group and Trust to meet cash flow forecasts due to uncertainties such as revenue growth and control of the operating cost base including the potential impact of Covid-19 on the ability to operate venues; and • The intention of Sheffield City Council, the Group and Trust's main Funder, to provide ongoing additional cash flow funding as required to support the Group and trading subsidiaries as required. <p>The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed</p>	<ul style="list-style-type: none"> • Inquiring of Sheffield City Council with regard to the content of the letter of support, and their intention and ability to fund the cash flow requirements of the Group insofar as required. <p>Historical comparisons:</p> <ul style="list-style-type: none"> • Assessing the reasonableness of the budgets and forecasts by considering the historical accuracy of previous forecasts. <p>Sensitivity analysis:</p> <ul style="list-style-type: none"> • Considering sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively including the ongoing potential impact of Covid-19. <p>Benchmarking assumptions:</p> <ul style="list-style-type: none"> • Comparing and challenging budgets and forecasts against known parameters such as funding streams and committed cost base. <p>Assessing transparency:</p> <ul style="list-style-type: none"> • Assessing the completeness and accuracy of the matters covered in the going concern disclosure by comparing the disclosure to our knowledge accumulated throughout the audit. <p>Our results: We found the going concern disclosure without any material uncertainty to be acceptable (2020 result: acceptable).</p>

3 Our application of materiality

Materiality for the Group financial statements as a whole was set at £315,000 (2020: £335,000), determined with reference to a benchmark of 3 year averaged Group total incoming resources of £34,041,459 (2020: £40,184,000), of which it represents 0.9% (2020: 0.8%).

Materiality for the Trust's financial statements as a whole was set at £144,000 (2020: £170,000) determined with reference to a benchmark of total incoming resources of £19,429,000 (2020: £17,249,000), of which it represents 0.7% (2020: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £236,000 (2020: £250,000) for the Group and £108,000 (2020: £125,000) for the Trust. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

Independent auditor's report to the members of Sheffield City Trust *(continued)*

3 Our application of materiality *(continued)*

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £15,750 (2020: £16,500), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 5 (2020: 5) reporting components, we subjected 5 (2020: 5) to full scope audits for group purposes. These audits covered 100% (2020: 100%) of total Group incoming resources, 100% (2020: 100%) of Group deficit, and 100% (2020: 100%) of Group total assets. Component materiality levels were set individually for all components having regard to the mix of size and risk profile of the Group across the components and ranged from £12,000 to £173,000 (2020: £18,000 to £251,000).

The work on all components, including the audit of the Trust, was performed by the Group audit team.

4 Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Trust or to cease its operations, and as they have concluded that the Group and the Trust's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

An explanation of how we evaluated management's assessment of going concern is set out in the related key audit matter in section 2 of this report. Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate
- we have not identified, and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Trust will continue in operation.

5 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of trustees as to the Group's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the value of revenue in relation to materiality across the period end. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Independent auditor's report to the members of Sheffield City Trust (continued)

5 Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees (as required by auditing standards), and discussed with the trustees the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and employment law recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6 We have nothing to report on the other information in the Annual Report

The Trustees are responsible for the other information, which comprises the Trustees' and director's report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Trustees and directors' report (including strategic report)

Based solely on our work on the other information:

- we have not identified material misstatements in the Trustees' and directors' report (including strategic report);
- in our opinion the information given in that report is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006

7 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Trust or returns adequate for our audit have not been received from branches not visited by us; or
- the Trust's 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.

We have nothing to report in these respects.

Independent auditor's report to the members of Sheffield City Trust (*continued*)

8 Respective responsibilities

Trustees' responsibilities

As explained more fully in their statement set out on page 13, the Trustees (who are also Directors of the Trust for the purposes of company law) are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Trust'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 they either intend to liquidate the Group or the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9 The purpose of our audit work and to whom we owe our responsibilities

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



**Clare Partridge (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

26 July 2021

Consolidated statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2021

	<i>Note</i>	Unrestricted funds	Restricted Funds – charitable activities	Total funds	Total funds
		2021 £000	2021 £000	2021 £000	2020 £000
Incoming resources					
Income from charitable activities		5,224	-	5,224	30,887
Investment income		5	-	5	7
Income from donations and legacies - Grants receivable		7,274	1,575	8,849	2,462
Income from donations and legacies - Sheffield City Council		11,742	-	11,742	6,828
Total incoming resources		24,245	1,575	25,820	40,184
Resources expended					
Expenditure on raising funds		(8,925)	(918)	(9,843)	(22,519)
Expenditure on charitable activities		(17,773)	(684)	(18,457)	(19,191)
Total resources expended	3	(26,698)	(1,602)	(28,300)	(41,710)
Net outgoing resources before tax	6	(2,453)	(27)	(2,480)	(1,526)
Taxation	9	68	-	68	(352)
Net outgoing resources before other recognised gains and losses		(2,385)	(27)	(2,412)	(1,878)
Actuarial (loss)/gain recognised in the pension scheme	22	(2,530)	-	(2,530)	984
Related tax		19	-	19	(19)
Net loss in the year		(4,896)	(27)	(4,923)	(913)
Fund balances brought forward		(13,614)	30,715	17,101	18,014
Fund balances carried forward	4/5	(18,510)	30,688	12,178	17,101

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

Company statement of financial activities *(incorporating income & expenditure account)*
For the year ended 31 March 2021

		Unrestricted funds	Restricted funds – charitable activities	Total funds	Total funds
	<i>Note</i>	2021 £000	2021 £000	2021 £000	2020 £000
Incoming resources					
Income from charitable activities		3,092	-	3,092	10,485
Investment income		5	-	5	7
Income from donations and legacies - Grants receivable		4,380	642	5,022	
Income from donations and legacies - Sheffield City Council		11,742	-	11,742	6,757
Total incoming resources		19,219	642	19,861	17,249
Resources expended					
Expenditure on charitable activities		(18,333)	(684)	(19,017)	(21,350)
Impairment of investment		-	-	-	(8,907)
Total resources expended	3	(18,333)	(684)	(19,017)	(30,257)
Net incoming/(outgoing) resources before tax	6	886	(42)	844	(13,008)
Tax		-	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		886	(42)	844	(13,008)
Actuarial (loss)/gain recognised in the pension scheme	22	(2,186)	-	(2,186)	955
Net loss in the year		(1,300)	(42)	(1,342)	(12,053)
Fund balances brought forward		(17,260)	9,972	(7,288)	4,765
Fund balances carried forward	4/5	(18,560)	9,930	(8,630)	(7,288)

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

Consolidated balance sheet

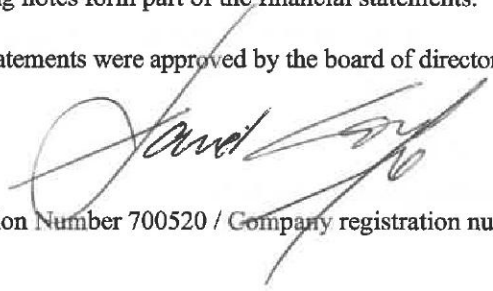
As at 31 March 2021

	Note	2021		2020	
		£000	£000	£000	£000
Fixed assets					
Intangible Assets	11	35		2	
Tangible fixed assets	12	152,636		154,401	
Negative goodwill	10	(6,778)		(6,983)	
			<u>145,893</u>		<u>147,420</u>
Current assets					
Stocks	14	123		150	
Debtors (including debtors due after one year of £32,490,000 (2019: £32,490,000))	15	35,651		34,976	
Cash at bank and in hand		4,147		4,393	
			<u>39,921</u>		<u>39,519</u>
Creditors: amounts falling due within one year	16	<u>(29,631)</u>		<u>(29,057)</u>	
Net current assets			<u>10,290</u>		<u>10,462</u>
Total assets less current liabilities			<u>156,183</u>		<u>157,882</u>
Creditors: amounts falling due after more than one year	17		<u>(127,674)</u>		<u>(127,387)</u>
Provisions for liabilities	18		(396)		(405)
			<u>28,113</u>		<u>30,090</u>
Net assets – excluding pension asset and liability			<u>28,113</u>		<u>30,090</u>
Pension liability	22		(15,935)		(13,089)
Pension asset	22		-		100
			<u>12,178</u>		<u>17,101</u>
Net assets – including pension asset and liability			<u>12,178</u>		<u>17,101</u>
Fund balances					
Unrestricted reserves					
Designated reserve	4		512		500
General reserve	4		(3,087)		(1,125)
Pension reserve	4		(15,935)		(12,989)
			<u>(18,510)</u>		<u>(13,614)</u>
Net unrestricted funds			<u>(18,510)</u>		<u>(13,614)</u>
Restricted funds	5		30,688		30,715
			<u>12,178</u>		<u>17,101</u>
Total funds			<u>12,178</u>		<u>17,101</u>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 26 July 2021 and were signed on its behalf by:

D Grey MBE
Chairman



Charity Registration Number 700520 / Company registration number: 2164600

Company balance sheet

As at 31 March 2021

	Note	2021	2020
		£000	£000
Fixed assets			
Tangible fixed assets	12	125,440	126,140
Intangible assets	11	35	-
		<u>125,475</u>	<u>126,140</u>
Current assets			
Stock	14	9	1
Debtors (including debtors due after one year of £32,490,000 (2019 - £32,490,000))	15	35,495	35,026
Cash at bank and in hand		2,629	1,516
		<u>38,133</u>	<u>36,543</u>
Creditors: amounts falling due within one year	16	<u>(28,629)</u>	<u>(29,495)</u>
Net current assets		<u>9,504</u>	<u>7,048</u>
Total assets less current liabilities		<u>134,979</u>	<u>133,188</u>
Creditors: amounts falling due after more than one year	17	<u>(127,674)</u>	<u>(127,387)</u>
Net assets – excluding pension liability		<u>7,305</u>	<u>5,801</u>
Pension liability	22	<u>(15,935)</u>	<u>(13,089)</u>
Net liabilities – including pension liability		<u>(8,630)</u>	<u>(7,288)</u>
Fund balances			
Unrestricted reserves			
Designated reserve	4	512	500
General reserve	4	(3,137)	(4,671)
Pension reserve	4	(15,935)	(13,089)
		<u>(18,560)</u>	<u>(17,260)</u>
Net unrestricted funds		<u>(18,560)</u>	<u>(17,260)</u>
Restricted funds	5	9,930	9,972
		<u>(8,630)</u>	<u>(7,288)</u>
Total funds		<u>(8,630)</u>	<u>(7,288)</u>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 26 July 2021 and were signed on its behalf by:

D Grey MBE
Chairman

Charity Registration Number 700520 / Company registration number: 2164600



Consolidated cash flow statement

For year ended 31 March 2021

	<i>Note</i>	2021 £000	2020 £000
Cash flows from operating activities			
Net outgoing resources before other recognised gains or losses		(2,412)	(1,878)
<i>Adjustments for:</i>			
Depreciation and amortisation	<i>10/11/12</i>	3,199	3,257
Interest receivable and similar income		(5)	(7)
Interest payable and similar charges		4,248	5,153
Pension charges in excess of cash contributions		112	299
Tax		(68)	352
Loss/(profit) on disposal		33	(1)
		<hr/>	<hr/>
Increase in trade and other debtors	<i>15</i>	5,107	7,175
Decrease in stocks	<i>14</i>	(597)	(436)
Increase/(decrease) in trade and other creditors		27	135
		97	(147)
		<hr/>	<hr/>
Tax paid		4,634	6,727
		-	(35)
		<hr/>	<hr/>
Net cash from operating activities		4,634	6,692
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of tangible fixed assets	<i>12</i>	(1,662)	(2,525)
Acquisition of intangible assets	<i>11</i>	(43)	-
Interest received		5	7
		<hr/>	<hr/>
Net cash from investing activities		(1,700)	(2,518)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from new loan		15,894	15,076
Interest paid		(3,940)	(7,463)
Repayment of borrowings		(14,709)	(20,552)
Payment of finance lease liabilities		(425)	(590)
		<hr/>	<hr/>
Net cash from financing activities		(3,180)	(13,529)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(246)	(9,355)
Cash and cash equivalents brought forward		4,393	13,748
		<hr/>	<hr/>
Cash and cash equivalents carried forward		4,147	4,393
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of the financial statements.

Notes to the financial statements

1 Accounting policies

Sheffield City Trust (the “charity”) is a company limited by guarantee, is a registered charity (registration number 700520) and is incorporated and domiciled in the UK.

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (*Charities SORP FRS 102*), the Charities Act 2011 and the Companies Act 2006. The presentation currency of these financial statements is sterling. The current years financial statements are for the year from 1 April 2020 to 31 March 2021 (*2020: 1 April 2019 to 31 March 2020*).

The parent company is included in the consolidated financial statements; and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 25.

Going concern

During the year ended 31 March 2021, Sheffield City Trust had net outgoing resources before tax of £2,480,000 and a decrease in cash of £246,000 to £4,147,000. Group net assets of £12,178,000 includes a negative pension reserve of £15,935,000 as at 31 March 2021.

Sheffield City Council provides support to Sheffield City Trust as follows;

Legally binding support;

‘Shortfall Funding Agreement’ Sheffield City Council will continue to provide additional funding support in respect of three legacy venues (Sheffield Arena, Hillsborough Leisure Centre and Ponds Forge International Sports Centre) in line with the ‘Shortfall Funding Agreement’ held between both parties, including a guarantee for the amounts due under the bonds. The ‘Shortfall Funding Agreement’ is a legally binding commitment to 31 March 2024.

The bond guarantee provided by Sheffield City Council to Sheffield City Trust is unaffected by the letter of support and remains legally enforceable under the ‘Shortfall Funding Agreement’.

Non-legally binding support;

‘Venue Specific Funding’ Additional (outside of the ‘Shortfall Funding Agreement’) venue specific funding from Sheffield City Council has been agreed for the year ended 31 March 2022 at £2.1m revenue and £6.8m further capex related funding to 31 March 2024 which will be drawn down as required. Once the impact of Covid-19 reduces, the Group aims to improve operating performance in order to reduce the level of funding required from Sheffield City Council. There is an annual process for agreeing venue specific funding and, via discussion with Sheffield City Council, the trustees expect this support to be agreed annually by Sheffield City Council until 2024, however this is not guaranteed.

‘Working Capital Support’ The trustees have also prepared cashflow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the charity may need cashflow funding in addition to the venue specific funding from Sheffield City Council in order to meet its liabilities as they fall due for that period.

Sheffield City Council has indicated its intention to continue to make available such funds as are needed by the charity for the period of at least 12 months from the date of signing of the financial statements. As with any charity placing reliance on a partner for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Management have prepared a 3 year plan to cover the performance of all income streams and venues.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Going concern (Continued)

The management team are committed to achieving the plan and have robust action plans in place to enable them to do this. The management team continues to meet on a monthly basis to review performance against the budget and, where there are shortfalls, looks at actions to address these, including the reduction of costs where necessary. Performance year to date is broadly in line with the plan.

Furthermore, the plan includes trading assumptions which are reliant on further capital investment in venues, which is only achievable with assistance from Sheffield City Council. The additional capital investment is required to support the plan, but because of the legal arrangements regarding the bond and related assets it is not necessary for the group to continue as a going concern.

Based on all of the factors above, the financial viability of the group is dependent on continued support from Sheffield City Council (working capital and venue specific funding), this includes the ongoing guarantee from Sheffield City Council in relation to pension liabilities. The operating environment presents a number of challenges which could contribute to the group failing to achieve its operational cash flow forecasts. These risks and uncertainties include but are not limited to, the continued impact of Covid-19 on venue availability, achieving forecast levels of Fitness Unlimited members, achieving forecast footfall in venues and achieving continuing control over the level of underlying cost base. As such, the reliance on the intended assistance from Sheffield City Council is even more important.

The trustees have considered all of these factors, the letter of support received from Sheffield City Council and have had discussions with representatives from Sheffield City Council. Sheffield City Council is guarantor of the bond and so it is likely to be in Sheffield City Council's interest to continue to provide working capital funding as necessary in order to enable Sheffield City Trust to continue in possession of the venues until 2024.

The trustees are also comfortable that the provisions of the funding agreement provide for significant liabilities beyond 2024 and that the group remains sustainable beyond this date.

Therefore, whilst the trustees acknowledge that there can be no certainty that this support will continue at the date of approval of these financial statements, they have every expectation that it will continue to do so.

Consequently, as a result of the legal arrangements with Sheffield City Council and the indications for support from Sheffield City Council through the letter of support provided, the trustees are confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Operating Segments

The Trustees believe that the Group comprises a single reporting segment, that being the provision of facilities to enable the public to participate in recreational activities, which promotes the health and well being of the people of Sheffield and surrounding areas.

Basis of consolidation

The consolidated financial statements include the financial statements of the charity and its subsidiary undertakings made up to 31 March 2021. The consolidated statement of financial activities consolidates the results of the charitable activities of the group on a line by line basis.

Investments

In the charity's financial statements, investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures, fittings and equipment	-	5% to 100% per annum
Leasehold buildings (other than venues)	-	life of lease

No depreciation is provided on freehold or leasehold land.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Fixed assets and depreciation (continued)

Tangible fixed assets relating to the original capitalisation of the leased venues – Ponds Forge International Sports Centre, Sheffield Arena and Hillsborough Leisure Centre – are depreciated over their remaining useful economic life (until 2024) on a straight line basis to their residual value. The residual value of the tangible fixed assets reflects the value at which the assets will be realised upon the settling of the bond liabilities of the charity.

Capital grants receivable and restricted funds

In accordance with the requirements of the Financial Reporting Standard 102 “The financial reporting standard applicable in the United Kingdom and Ireland” (Charities SORP FRS 102) capital grants are recognised as restricted funds in the accounting period in which they are received. Depreciation charged over the period imposed by the grant agreement associated with the restricted fund, is included within restricted funds. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Revenue grants and unrestricted funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Revenue grants are recognised in the period in which the relevant expenditure is incurred and in line with any conditions specific to the grant. Where performance criteria are met, the grant is released.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The group contributes to pension schemes operated by South Yorkshire Pension providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the group. The group contributed to a defined benefit pension scheme operated by North Yorkshire Pension Fund until 31 January 2021, when employees were transferred, under the provision of TUPE, to Scarborough Borough Council. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The group also provided a defined benefit pension scheme until 1 April 2019 through the charity’s contribution to the Derbyshire Pension Authority (“DPA”) scheme, however following the transfer of employees from 7 Hills Leisure Trust and employees at Tipton Park Golf Course in SIV Enterprises to Sheffield City Trust under the provision of TUPE, the group ceased contributing to the DPA scheme on this date and relevant employees became new members of the South Yorkshire Pension Authority Scheme.

The pension schemes deficit is recognised in full. The movement in the schemes deficits is split between operating charges, finance items and actuarial gains and losses. Further details regarding the schemes are disclosed in note 22.

Goodwill

Goodwill arising on acquisition is released over the period of use of the non-monetary assets to which it relates. Negative goodwill arising on acquisition is released to the statement of financial activities in the periods in which the fair values of non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Tax

Sheffield City Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from tax in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2013 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The charge for tax for the trading subsidiaries is based on the profit for the period and takes into account tax deferred because of timing differences between the treatment of certain items for tax and accounting purposes.

Provision is made for deferred tax in so far as a liability or asset arose as a result of transactions that had occurred by the balance sheet date and gave rise to an obligation to pay more tax in the future or a right to pay less tax in the future. An asset has not been recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Incoming resources from charitable activities

Incoming resources from charitable activities represents the amounts (excluding value added tax) derived from the rental of sites in Sheffield developed as recreational facilities together with other income derived from those sites, including payment by the community for use of the recreational facilities. All income from these activities arises from activities in the United Kingdom.

Interest receivable and payable

Interest receivable or payable is recognised in the statement of financial activities on an accruals basis.

Resources expended and allocation of charitable expenditure

Resources expended are accounted for on an accruals basis and are classified by the trustees as expenditure on raising funds or expenditure on charitable activity, depending on the nature of the expenditure incurred. Where resources expended are apportioned this is done on the basis of the use of the resources.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts, discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations

During the year the charity had five wholly owned subsidiaries which are incorporated in the UK. Sheffield International Venues Limited manages sporting and recreational facilities as agent for Sheffield City Trust in respect of the community income and expenditure, and as principal in respect of ancillary commercial income and expenditure for both Sheffield City Trust and 7 Hills Leisure Trust. 7 Hills Leisure Trust manages two community focussed venues up until the operation of these venues was transferred to Sheffield City Trust on 30 April 2020 and 31 October 2020. 7 Hills Commercial Limited is a non-trading entity.

Phoenix Sports Limited provides full ownership and operation of the EISS. The charity indirectly owns SIV Enterprises Limited through Sheffield International Venues Limited which operated a golf course in Derbyshire until 30 April 2020 and entertainment venues in North Yorkshire until 31 January 2021.

A summary of the trading activities of Sheffield International Venues Limited, 7 Hills Leisure Trust, Phoenix Sports Limited and SIV Enterprises Limited are shown below.

Sheffield International Venues Limited

	2021 £000	2020 £000
Turnover	1,963	16,897
Other operating income	1,515	83
Raw materials and consumables	(95)	(2,374)
Staff costs	(2,297)	(5,908)
Depreciation	(871)	(744)
Other operating charges	(3,480)	(8,181)
	<hr/>	<hr/>
Operating loss	(3,265)	(227)
Net interest payable	(26)	(61)
	<hr/>	<hr/>
Loss on ordinary activities before taxation	(3,291)	(288)
Tax on loss on ordinary activities	-	(354)
	<hr/>	<hr/>
Loss retained in the subsidiary	(3,291)	(642)
	<hr/> <hr/>	<hr/> <hr/>

The directors reviewed the funding arrangements for Sheffield International Venues Limited and its budgets for the coming years and believe that it will gradually start to make a positive contribution to the financial affairs of the charity, despite the current impact of Covid-19 in the short term.

	2021 £000	2020 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	3,020	2,934
Current assets	11,025	11,715
Creditors: amounts falling due within one year	(12,610)	(9,964)
Provisions for liabilities	(395)	(354)
	<hr/>	<hr/>
Net assets	1,040	4,331
	<hr/> <hr/>	<hr/> <hr/>

Statement of other comprehensive income

	2021 £000	2020 £000
Loss for the financial period	(3,291)	(642)
Capital contribution	-	8,907
	<hr/>	<hr/>
Total comprehensive (expense)/income for the financial year	(3,291)	8,265
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

7 Hills Leisure Trust

	Unrestricted funds - General 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Incoming resources			
Income from charitable activities	35	35	569
Income from donations and legacies - grants receivable	12	12	2,391
	<hr/>	<hr/>	<hr/>
Total incoming resources	47	47	2,960
	<hr/>	<hr/>	<hr/>
Resources expended			
Expenditure on charitable activities	(122)	(122)	(685)
	<hr/>	<hr/>	<hr/>
Total resources expended	(122)	(122)	(685)
	<hr/>	<hr/>	<hr/>
Net (outgoing)/incoming resources before other recognised gains and losses	(75)	(75)	2,275
	<hr/>	<hr/>	<hr/>
Net movements in the year	(75)	(75)	2,275
Fund balances at 1 April 2020	489	489	(1,786)
	<hr/>	<hr/>	<hr/>
Fund balances carried forward	414	414	489
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The directors reviewed the funding arrangements for 7 Hills Leisure Trust and its budgets and believed that it would better deliver against its charitable objects by transferring its operations into its parent charity, Sheffield City Trust and as such, on 1 April 2019, the operations, together with the assets and liabilities, of all venues with the exception of Westfield Sports Centre and Sinfin Golf Course were transferred to Sheffield City Trust at book value. The assets and liabilities of Westfield Sports Centre and Sinfin golf course were transferred to Sheffield City Trust on 1 November 2020 and 1 May 2020 respectively. As part of a streamlined group structure it will drive further efficiencies and ultimately improve the resources available to deliver the charitable objects of both charities.

	2021 £000	2020 £000
The assets and liabilities of the subsidiary were:		
Tangible and intangible fixed assets	-	5
Current assets	2,187	1,903
Creditors: amounts falling due within one year	(1,773)	(1,419)
	<hr/>	<hr/>
Net assets	414	489
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

Phoenix Sports Limited

	2021 £000	2020 £000
Income		
Lottery grant released	433	433
Yorkshire Forward grant released	14	14
Lifecycle fund	93	53
Grant income	71	44
Rental income	-	(460)
Other income	91	92
	702	176
Expenditure		
Management contract	-	460
Building Maintenance	(40)	-
Depreciation	(658)	(631)
	4	5
Operating profit	4	5
Profit on ordinary activities before tax	4	5
Tax on profit on ordinary activities	35	-
	39	5
Profit retained in the subsidiary	39	5

The directors reviewed the funding arrangements for Phoenix Sports Limited and its budgets for the coming years and believe that it will gradually start to make a positive contribution to the financial affairs of the charity.

	2021 £000	2020 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	17,399	18,057
Current assets	2,520	3,075
Creditors: amounts falling due within one year	-	(641)
Deferred income: amounts falling due within one year	(571)	(611)
Deferred income: amounts falling due after more than one year	(19,453)	(20,024)
	(105)	(144)
Net liabilities	(105)	(144)

Notes to the financial statements *(continued)*

2 Results of subsidiary organisations *(continued)*

SIV Enterprises Limited

	2021 £000	2020 £000
Turnover	123	3,093
Other operating income	1,575	590
Raw materials and consumables	(46)	(775)
Staff costs	(632)	(1,741)
Depreciation	(20)	(56)
Other operating charges	(884)	(1,433)
Operating loss	116	(322)
Other finance income	3	2
Profit/(loss) on ordinary activities before taxation	119	(320)
Tax on profit/(loss) on ordinary activities	32	2
Profit/(loss) retained in the subsidiary	151	(318)

The operation of Tapton Golf course was transferred to Sheffield City Trust on 1 May 2020 and the assets and liabilities were transferred at their net book value on this date. The operation of Scarborough Spa, Whitby Pavilion and Peasholm Park Café was transferred to Scarborough Borough Council on 1 February 2021 following termination of the contract.

	2021 £000	2020 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	-	285
Current assets	1,815	1,345
Creditors: amounts falling due within one year	(3,556)	(3,246)
Provision for liabilities	-	(51)
Pension asset	-	100
Net liabilities	(1,741)	(1,567)

Statement of other comprehensive income

	2021 £000	2020 £000
Loss for the financial period	151	(318)
Actuarial (loss)/gain recognised in the pension scheme	(344)	29
Tax on actuarial (loss)/gain	19	(19)
Total comprehensive expense for the financial period	(174)	(308)

Notes to the financial statements *(continued)*

3 Resources expended

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
<i>Unrestricted funds</i>				
<i>Expenditure on raising funds</i>				
Ground rent	26	123	-	-
Other finance income – including pension	(3)	(2)	-	-
Overheads including staff costs, depreciation and finance lease interest	8,902	21,855	-	-
	<u>8,925</u>	<u>21,976</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities</i>				
Ground rent	80	105	80	105
Interest on loans	84	58	84	58
Interest payable on bonds	3,803	4,676	3,803	4,676
Other finance costs – including pension	319	337	319	337
Overheads including staff costs, depreciation and finance lease interest	13,487	13,421	14,047	13,226
Impairment of investment	-	-	-	8,907
Donations to subsidiary in respect of pension deficit	-	-	-	2,354
	<u>17,773</u>	<u>18,597</u>	<u>18,333</u>	<u>29,663</u>
Total unrestricted resources expended	<u><u>26,698</u></u>	<u><u>40,573</u></u>	<u><u>18,333</u></u>	<u><u>29,663</u></u>
<i>Restricted funds</i>				
<i>Expenditure on raising funds</i>				
Overheads	194	32	-	-
Depreciation	724	511	-	-
	<u>918</u>	<u>543</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities</i>				
Overheads	219	40	219	40
Depreciation	465	554	465	554
	<u>684</u>	<u>594</u>	<u>684</u>	<u>594</u>
Total restricted resources expended	<u><u>1,602</u></u>	<u><u>1,137</u></u>	<u><u>684</u></u>	<u><u>594</u></u>

Notes to the financial statements (continued)

4 Unrestricted funds

The breakdown of the unrestricted funds between designated and general funds is as follows:

Group	At beginning of year £000	Income £000	Utilised £000	Movement in pension deficit £000	At end of year £000
Designated funds					
Direct support of other charitable activities in Sheffield	492	91	(78)	-	505
Health fund	8	-	(1)	-	7
General funds					
Retained deficit	(1,125)	24,154	(26,116)	-	(3,087)
Pension reserve	(12,989)	-	(416)	(2,530)	(15,935)
	<u>(13,614)</u>	<u>24,245</u>	<u>(26,611)</u>	<u>(2,530)</u>	<u>(18,510)</u>
Company					
Designated funds					
Direct support of other charitable activities in Sheffield	492	91	(78)	-	505
Health fund	8	-	(1)	-	7
General funds					
Retained deficit	(4,671)	19,128	(17,594)	-	(3,137)
Pension reserve	(13,089)	-	(660)	(2,186)	(15,935)
	<u>(17,260)</u>	<u>19,219</u>	<u>(18,333)</u>	<u>(2,186)</u>	<u>(18,560)</u>

The fund to support the other charitable activities of the charity provides grants to other groups where those groups are considered the most appropriate way of furthering the charity's objects within the specific target communities.

The health fund has been established to fund children's education and nutrition programmes.

Included within unrestricted funds is grant income of £4,334,000 received in respect of the governments Coronavirus Job Retention scheme.

5 Restricted funds

Group	At beginning of year £000	Incoming Resources £000	Utilised £000	At end of year £000
iceSheffield capital grant	6,132	-	(187)	5,945
Sheffield City Hall renovation grant	3,367	-	(190)	3,177
EISS grant	19,204	-	(540)	18,664
NCSEM at Concord Sports Centre	398	-	(79)	319
Essential maintenance grant	369	1,575	(563)	1,381
EISS Sport hall grant	1,221	-	(39)	1,182
Other grants	24	-	(4)	20
	<u>30,715</u>	<u>1,575</u>	<u>(1,602)</u>	<u>30,688</u>
Company				
iceSheffield capital grant	6,132	-	(187)	5,945
Sheffield City Hall renovation grant	3,367	-	(190)	3,177
NCSEM at Concord Sports Centre	398	-	(79)	319
Essential maintenance grant	27	642	(225)	444
EISS Sports hall grant	48	-	(3)	45
	<u>9,972</u>	<u>642</u>	<u>(684)</u>	<u>9,930</u>

Notes to the financial statements (continued)

5 Restricted funds (continued)

The restricted funds of £5,945,000 in respect of iceSheffield represent funding received from Sport England to aid the charity in building the national ice centre in the Lower Don Valley. This project was completed in 2003 and the fund is being amortised as the asset is depreciated.

The restricted funds of £3,177,000 in respect of the Sheffield City Hall renovation project represent funding received from the European Single Regeneration Budget to fund the cost of professional fees during the design phase of the project, and from European Objective 1 funding to fund the building phase. The project was completed in 2005 and the fund is being amortised as the asset is depreciated.

The restricted funds of £18,664,000 in respect of EISS represents funds received from Sport England and Yorkshire Forward to aid Phoenix Sports Limited in building the EISS and a further amount received from Sport England to provide a lifecycle fund to meet the maintenance cost of the up-keep of EISS. The project to build the EISS was completed in 2003 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted funds of £319,000 relate to Olympic Legacy funding received from Public Health England on behalf of the Department of Health (DOH). The charity is part of a consortium of organisations in Sheffield that is promoting and researching the positive benefit on physical activity on health. These funds have been used to generate a positive benefit for the NHS by renovating and equipping Concord Sports Centre for use by the public for medical facilities within a building also used for physical activity. The project was completed in 2015 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted fund of £1,381,000 in respect of essential maintenance represents funds received from Sheffield City Council to aid essential maintenance work on the various properties, which are owned by Sheffield City council and operated by the charity. The funds are being amortised either as the assets are depreciated or the cost of repairs incurred.

The restricted funds of £1,182,000 in respect of the EISS Sports Hall represents funds received from Sheffield City Council to build a sports hall at the English Institute of Sport – Sheffield for the use of a local school. Funds are being amortised as the assets are depreciated.

The useful economic life of all assets mentioned within restricted funds is in line with the duration of the respective leases pertaining to the buildings for which that work was funded.

By their nature restricted funds can only be used for the purpose they were intended and not to fund general or unrestricted activity.

6 Net outgoing resources before taxation are stated after charging

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Auditor's remuneration - Audit of these financial statements	100	100	45	40
Depreciation of owned assets	3,054	3,017	1,300	1,412
Depreciation of assets held under finance leases	340	444	340	413
Hire of assets under operating leases - other assets	181	225	167	142
Amortisation of negative goodwill	(205)	(205)	-	-
Impairment of trade receivables	22	31	12	1
Inventory recognised as an expense	72	2,678	-	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7 Remuneration of trustees

No emoluments were paid to any of the trustees during the year (2020: £nil).

A total of £nil (2020: £41) was reimbursed to one trustee for travel and subsistence expenses incurred on the charity's behalf.

Notes to the financial statements *(continued)*

8 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year analysed by category, was as follows:

	Group		Company	
	2021 Number	2020 Number	2021 Number	2020 Number
Leisure	323	485	315	473
Maintenance	167	270	151	231
Administration	133	176	127	166
Catering	167	329	143	260
	790	1,260	736	1,130

Staff numbers and costs include all contracted and casual staff regardless of hours worked. The number of permanent full time roles decreased during the year as did the number of casual employees.

The aggregate payroll cost of the employees employed by the group during the year was as follows:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Wages and salaries	10,112	15,502	9,514	12,688
Social security costs	662	847	624	778
Other pension costs	1,402	1,212	1,578	1,365
Redundancy costs	863	-	708	-
	13,039	17,561	12,424	14,831

All staff of 7 Hills Leisure Trust and Sheffield International Venues Limited along with staff employed by SIV Enterprises Limited with contracts at Tapton Park Golf Course were transferred under the provisions of TUPE to Sheffield City Trust on 1 April 2019. 7 Hills Leisure Trust and Sheffield International Venues Limited now procure HR services from Sheffield City Trust as required to support the operations of the venues and a management fee is charged for these services. The staff numbers and costs of all contracted staff employed by Sheffield City Trust irrespective of which group company they provide services to are included in the company numbers above.

The group pension costs include a pension credit of £241,000 in respect of the North Yorkshire Pension Scheme (2020: £210,000 credit in respect of the Derbyshire pension scheme).

The number of employees in the group whose emoluments amounted to over £60,000 in the year was as follows:

	2021	2020
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1

The group made contributions of £127,079 (2020: £27,856) to defined benefit schemes in respect of these employees. This figure includes a one-off pension contribution of £81,487 in respect of redundancy.

The number of individuals included in the 60,001 to £70,000 category above would be 2 if redundancy payments were excluded from total emoluments.

Notes to the financial statements (continued)

9 Tax

<i>Analysis of charge in year</i>	2021	Group	2020
	£000		£000
Current tax			
Adjustments in respect of prior periods	(76)		-
Total current tax charge for the year	(76)		-
Deferred tax			
Origination and reversal of timing differences	8		318
Impact of change in tax rate	-		34
Total tax charge for the year	(68)		352

Factors affecting the tax charge for the current year

The current tax charge for the period is higher (2020: higher) than the standard rate of corporation tax in the United Kingdom, which, for the period ended 31 March 2021, was 19% (2020: 19%). The differences are explained below:

	2021	2020
	£000	£000
Net outgoing resources before tax	(2,480)	(1,526)
Current tax at 19% (2020: 19%)	(471)	(290)
Non deductible and non taxable items	(121)	302
Adjustments relating to prior periods	(76)	-
Utilised losses	-	(40)
Pension scheme adjustments	(86)	(32)
Short term timing differences	-	13
Deferred tax not recognised	536	278
Re-measurement of deferred tax – change in UK tax rate	-	34
Depreciation in excess of capital allowances	150	-
Tax losses	-	87
Total tax charge for the year	(68)	352

Factors that may affect future current and total tax charges

In the Budget on 11 March 2021, the chancellor announced that the main rate of corporation tax will increase to 25% from 1 April 2023, applying to profits over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so they continue to pay at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. At the reporting date, the bill had yet to be substantively enacted and, as such, deferred tax balances have not been remeasured

Notes to the financial statements *(continued)*

10 Negative goodwill

	£000
<i>Cost</i>	
At beginning and end of year	(8,741)
<i>Impairment losses/amortisation</i>	
At beginning of year	1,758
Charge for year	205
At end of year	1,963
<i>Carrying amount</i>	
At end of year	(6,778)
At beginning of year	(6,983)

As part of the transaction to take full ownership and direct operation of the EISS, the trust acquired Phoenix Sports Limited for £1 on 31 March 2011.

Phoenix Sports Limited is the company which owns the 150 year lease relating to EISS.

At the date of the acquisition the net assets acquired had a book value of £nil, being the net book value of the EISS building of £20m less the amounts provided by the English Sports Council to fund the construction of the building, £20m, shown as deferred income. In accordance with UK GAAP requirements regarding acquisition accounting, the fair value of the EISS building was determined at the date of acquisition as £29m. As this amount exceeded the deemed consideration paid, £20m, negative goodwill of £9m was recognised.

This goodwill is being amortised over 50 years in line with the useful economic life of the EISS building and the historic grant funding which financed its construction.

11 Intangible assets Group

	Total £000
<i>Cost</i>	
At beginning of year	4
Additions	43
At end of year	47
<i>Amortisation</i>	
At beginning of year	2
Charge for year	10
At end of year	12
<i>Closing net book amount</i>	
At end of year	35
At beginning of year	2

Notes to the financial statements (continued)

11 Intangible assets (continued) Company

	Total £000
Cost	
At beginning of year	-
Group transfers/Additions	2
Additions	43
	45
At end of year	45
Amortisation	
At beginning of year	-
Charge for year	10
	10
At end of year	10
Closing net book amount	
At end of year	35
At beginning of year	-

12 Tangible fixed assets

	Freehold land £000	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost					
At beginning of year	468	173,740	23,495	613	198,316
Additions	-	-	7	1,709	1,716
Disposals	-	-	(233)	(11)	(244)
Transfers	-	-	2,006	(2,049)	(43)
	468	173,740	25,275	262	199,745
At end of year	468	173,740	25,275	262	199,745
Depreciation					
At beginning of year	-	28,864	15,051	-	43,915
Charge for year	-	1,292	2,102	-	3,394
Disposals	-	-	(200)	-	(200)
	-	30,156	16,953	-	47,109
At end of year	-	30,156	16,953	-	47,109
Net book value					
At end of year	468	143,584	8,322	262	152,636
At beginning of year	468	144,876	8,444	613	154,401

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2020: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

Included within freehold land is land with a net book value of £180,000 which is held for sale. At 31 March 2021 the charity had exchanged contracts in respect of the sale. The sale completed on 5 July 2021.

Notes to the financial statements (continued)

12 Tangible fixed assets (continued)

Company	Freehold land £000	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets Under Construction £000	Total £000
<i>Cost</i>					
At beginning of year	468	141,439	8,554	161	150,622
Additions	-	-	7	625	632
Disposals	-	-	(40)	-	(40)
Transfers	-	-	555	(598)	(43)
Group Transfers	-	-	351	-	351
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	468	141,439	9,427	188	151,522
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At beginning of year	-	19,936	4,546	-	24,482
Charge for year	-	601	1,039	-	1,640
Disposals	-	-	(40)	-	(40)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	20,537	5,545	-	26,082
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At end of year	468	120,902	3,882	188	125,440
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At beginning of year	468	121,503	4,008	161	126,140
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2020: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

Included within freehold land is land with a net book value of £180,000 which is held for sale. At 31 March 2021 the charity had exchanged contracts in respect of the sale. The sale completed on 5 July 2021.

The following are included in the total net book value of tangible fixed assets in respect of assets held under finance leases.

	Group	Company
	Fixtures, fittings and equipment £000	Fixtures, fittings and equipment £000
2021		
Net book value	1,013	1,013
	<hr/>	<hr/>
Depreciation	340	340
	<hr/>	<hr/>
2020		
Net book value	1,353	1,353
	<hr/>	<hr/>
Depreciation	444	413
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

13 Investments - Company

	Investment in subsidiary £000
Net book value at beginning and end of year	-
	-

On 31 March 2015 the charity forgave, by way of a capital contribution, monies owed by its subsidiary Sheffield International Venues Limited. This capital contribution gave rise to the capitalisation of the historic inter-company debtor of £7,578,000. The investment is reviewed for impairment annually, by considering the net present value of future cash flows of Sheffield International Venues Limited over a period to March 2024. The investment was fully impaired in 2019 and no indicators exist to suggest that this impairment be reversed.

On 1 April 2019, all staff of Sheffield International Venues Limited were transferred under the provisions of TUPE to Sheffield City Trust. At the same time, the assets and liabilities of the South Yorkshire Pension Authority scheme were also transferred and as a result of this, Sheffield City Trust have taken on the historic pension liability by way of a capital contribution. The investment was fully impaired in 2020 and no indicators exist to suggest that this impairment be reversed.

The charity holds investments of £100 relating to shares held in subsidiaries.

The entities in which the charity holds beneficial interests are as follows:

	Principal activity	Country of registration	Percentage of ordinary shares held
<i>Subsidiary undertakings</i>			
Sheffield International Venues Limited	Management of sporting and entertainment facilities and provision of catering and conferencing services	England and Wales	100
7 Hills Leisure Trust	Management of sporting and recreational facilities	England and Wales	-*
7 Hills Commercial Limited	Provision of catering services	England and Wales	100**
Phoenix Sports Limited	Operation and strategic direction of English Institute of Sport- Sheffield (EISS)	England and Wales	-*
SIV Enterprises Limited	Management of sporting and recreational facilities, a catering facility and the provision of consultancy services	England and Wales	100***

Notes to the financial statements (continued)

13 Investments - Company (continued)

In the opinion of the directors the investments in and amounts due from the charity's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet. Of the 100 shares in issue, one share in Sheffield International Venues Limited is held in trust for the charity by Sheffield Chamber of Commerce and Industry.

*In respect of Phoenix Sports Limited and 7 Hills Leisure Trust, whilst their corporate structures are limited by guarantee they are treated as investments by the group on the basis of control.

**7 Hills Commercial is held indirectly by 7 Hills Leisure Trust

***SIV Enterprises is held indirectly by Sheffield International Venues Limited

The registered office for Sheffield International Venues Limited, SIV Enterprises Limited, Phoenix Sports Limited, 7 Hills Leisure Trust and 7 Hills Commercial Limited is 23 Carbrook Hall Road, Sheffield, S9 2EH.

14 Stocks

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Goods for resale	123	150	9	1
	<u>123</u>	<u>150</u>	<u>9</u>	<u>1</u>

15 Debtors

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade debtors	1,480	676	891	224
Other debtors	26	103	3	83
Prepayments and accrued income	34,067	34,197	33,109	33,627
Amounts owed by group undertakings	-	-	1,492	1,092
Corporation tax	78	-	-	-
	<u>35,651</u>	<u>34,976</u>	<u>35,495</u>	<u>35,026</u>

Prepayments and accrued income includes £32,490,000 (2020: £32,490,000) of grant income due from Sheffield City Council following the disposal of Don Valley Stadium and the restructuring of the finance leasing arrangements. This debtor is expected to be received at the date at which the bonds are settled in 2024 under the funding arrangements referred to in note 17.

The carrying value of trade receivables is considered a reasonable approximation of fair value.

Notes to the financial statements *(continued)*

16 Creditors: amounts falling due within one year

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Bank loans (see note 17)	82	68	82	68
Other loans	1,171	1,525	1,171	1,525
Obligations under finance leases (see note 17)	308	420	308	420
Bonds	15,570	14,641	15,570	14,641
Trade creditors	1,134	2,453	680	866
Other creditors including taxation and social security	8,999	7,704	431	1,283
Accruals and deferred income	2,367	2,246	1,161	1,098
Amounts owed to group undertakings	-	-	9,226	9,594
	<u>29,631</u>	<u>29,057</u>	<u>28,629</u>	<u>29,495</u>

Amounts owed to group undertakings are interest free and repayable on demand.

The carrying amount of trade and other payables approximates to their fair value.

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Bank Loans	219	248	219	248
Other loans	2,342	787	2,342	787
Obligations under finance leases	270	584	270	584
Bonds	34,155	49,721	34,155	49,721
Sheffield City Council	90,688	76,047	90,688	76,047
	<u>127,674</u>	<u>127,387</u>	<u>127,674</u>	<u>127,387</u>

The charity has three bank loans to fund the purchase of fixed assets at a rate of 4.62%, 4.5% and 4.5%, with an outstanding balance of £2,000, £4,000 and £242,000 respectively, at the year end. During the year the charity took on a further bank loan to fund fixed assets at a rate of 3.87% with an outstanding balance at the year end of £53,000.

During 2014 the charity took a five year loan of £3,500,000 from Sheffield City Council for the refurbishment of the Sheffield Arena at an interest rate, per annum, of 2.0% above the Bank of England's base rate and during 2015 the charity took a five year loan of £1,750,000 from Sheffield City Council for the refurbishment of Ponds Forge International Sports Centre at an interest rate, per annum, of 2.0% above the Bank of England's base rate. These loans were consolidated into a combined loan of £1,575,000 in January 2019 over five years at a rate of 2% above the Bank of England's base rate.

In 2020, the charity received a five year loan of £1,000,000 from Sheffield City Council to assist with cashflow at an interest rate of 2%, above the Bank of England's base rate. During the current year the charity received a further 4 year loan of £1,200,000 from Sheffield City Council to assist with cashflow at an interest rate of 2% above the Bank of England's base rate.

Under the terms of the funding agreement between the charity and Sheffield City Council, the council makes payments bi-annually sufficient in value to enable the charity to meet its bond repayment obligations. These receipts are repayable to Sheffield City Council in 2024. We consider the fair value of the bonds to be £55,661,000 (2020: £72,045,000); this reflects the unit value of the bond multiplied by the last market traded value.

Notes to the financial statements *(continued)*

17 Creditors: amounts falling due after more than one year *(continued)*

The maturity of the bank and other loans is due as follows:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Within one year	1,253	1,593	1,253	1,593
In the second to fifth years	2,561	1,035	2,561	1,035
	<u>3,814</u>	<u>2,628</u>	<u>3,814</u>	<u>2,628</u>

On 1 March 2000 the company issued £140,425,000 of bonds at an issue premium of 0.719%. The bonds attract interest payments of 6.25% paid bi-annually. The bonds are repayable at dates between 2014 and 2024. They are guaranteed by Sheffield City Council.

The bonds are stated net of unamortised issue costs of £873,000 and gross of the unamortised issue premium of £795,000.

The maturities of the bonds are as follows:	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Within one year	15,570	14,641	15,570	14,641
In the second to fifth years	34,155	49,721	34,155	49,721
	<u>49,725</u>	<u>64,362</u>	<u>49,725</u>	<u>64,362</u>

The maturities of obligations under the leases are as follows:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Within one year	308	420	308	420
In the second to fifth years	270	584	270	584
	<u>578</u>	<u>1,004</u>	<u>578</u>	<u>1,004</u>

Notes to the financial statements *(continued)*

18 Deferred tax

	Accelerated tax depreciation £000	Other timing differences £000	2021 Total £000	2020 Total £000
At 1 April 2019	312	(1,725)	(1,413)	(960)
Movement in year	74	1,476	1,550	(453)
At 31 March 2020 & 1 April 2020	386	(249)	137	(1,413)
Movement in year	10	(598)	(588)	1,550
At 31 March 2021	396	(847)	(451)	137
Recognised	396	-	396	405
Unrecognised	-	(847)	(847)	(268)
	396	(847)	(451)	137

The deferred tax asset has not been recognised on the grounds that there is insufficient evidence that the asset will be recovered.

19 Analysis of group net assets between funds

	Unrestricted (designated and general) £000	Restricted £000	Total £000
Tangible fixed assets	121,948	30,688	152,636
Intangible Assets	35	-	35
Net current assets	10,290	-	10,290
Liabilities falling due after more than one year	(127,674)	-	(127,674)
Provisions for liabilities	(396)	-	(396)
Pension liability (note 22)	(15,935)	-	(15,935)
Negative goodwill	(6,778)	-	(6,778)
Net assets as at 31 March 2021	(18,510)	30,688	12,178
Net assets as at 31 March 2020	(13,614)	30,715	17,101

20 Contingent liabilities

Funding agreement

The Funding Agreement with Sheffield City Council was renewed in February 2000, the point at which the Sheffield Investment Bond was issued. Under this funding agreement there exists a potential obligation for the group to repay the sums received in 1999/2000 and subsequent years from future surpluses up to a maximum of £503.5 million (2020: £491.8 million) for the group and £390.1 million (2020: £378.4 million) for the company. Repayment is considered unlikely given the not-for-profit nature of the group.

Notes to the financial statements *(continued)*

21 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Operating leases which expire:				
Within one year	142	195	142	113
In the second to fifth years inclusive	361	455	361	173
More than five years	559	625	559	-
	1,062	1,275	1,062	286
	1,062	1,275	1,062	286

22 Pension scheme

Defined contribution pension scheme - Group

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £214,000 (2020: £269,000).

Contributions amounting to £22,000 (2020: £38,000) were payable to the scheme and are included in creditors.

Defined benefit pension scheme - Group

The group contributes to defined benefit pension schemes operated by South Yorkshire Pension Authority. During the year the group also contributed to the North Yorkshire Pension Fund, however, on 31 January 2021 all members of the North Yorkshire pension Fund transferred, under the provision of TUPE, to Scarborough Borough Council and contributions ceased from this date. The latest full actuarial valuation for which results are available was carried out at 31 March 2019 and were updated for FRS 102 purposes to 31 March 2021 by a qualified independent actuary. In the prior year the group also contributed to the Derbyshire Pension Authority fund, however the group ceased contributing to this scheme on 1 April 2019.

The information disclosed below is in respect of the whole of the plans for which the group is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2021				2020			
	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000
Present value of funded defined benefit obligations	-	(64,464)	-	(64,464)	-	(53,737)	(2,325)	(56,062)
Fair value of plan assets	-	48,570	-	48,570	-	40,688	2,425	43,113
	-	(15,894)	-	(15,894)	-	(13,049)	100	(12,949)
Present value of unfunded defined benefit obligations	-	(41)	-	(41)	-	(40)	-	(40)
Net (liability)/asset	-	(15,935)	-	(15,935)	-	(13,089)	100	(12,989)
	-	(15,935)	-	(15,935)	-	(13,089)	100	(12,989)

Notes to the financial statements (continued)

22 Pension scheme (continued)

Movements in present value of defined benefit obligation

	2021				2020			
	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000
At beginning of year	-	53,777	2,325	56,102	1,404	56,630	2,372	60,406
Current service cost	-	828	41	869	-	996	68	1,064
Interest cost	-	1,284	44	1,328	-	1,406	58	1,464
Curtailment	-	230	8	238	-	-	-	-
Actuarial losses/(gains)	-	9,072	925	9,997	-	(4,498)	(78)	(4,576)
Past service cost	-	-	-	-	-	97	-	97
Contributions by members	-	169	7	176	-	193	12	205
Benefits paid	-	(855)	(46)	(901)	-	(1,047)	(107)	(1,154)
Settlements	-	-	(3,304)	(3,304)	(1,404)	-	-	(1,404)
At end of year	-	64,505	-	64,505	-	53,777	2,325	56,102

Movements in fair value of plan assets

	2021				2020			
	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000
At beginning of year	-	40,688	2,425	43,113	1,194	43,435	2,422	47,051
Expected return on plan assets	-	977	47	1,024	-	1,082	60	1,142
Actuarial gains/(losses)	-	6,886	581	7,467	-	(3,543)	(49)	(3,592)
Administration expenses	-	(12)	-	(12)	-	(14)	-	(14)
Contributions by employer	-	717	61	778	-	582	87	669
Contributions by members	-	169	7	176	-	193	12	205
Benefits paid	-	(855)	(46)	(901)	-	(1,047)	(107)	(1,154)
Settlements	-	-	(3,075)	(3,075)	(1,194)	-	-	(1,194)
At end of year	-	48,570	-	48,570	-	40,688	2,425	43,113

Expense recognised in the statement of financial activities

	2021				2020			
	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000
Current service cost	-	828	41	869	-	996	68	1,064
Past service cost	-	-	-	-	-	97	-	97
Effect of curtailments	-	230	8	238	-	-	-	-
Liabilities extinguished on settlement	-	-	(3,304)	(3,304)	(1,404)	-	-	(1,404)
Assets distributed on settlement	-	-	3,075	3,075	1,194	-	-	1,194
Administration expenses	-	12	-	12	-	14	-	14
Interest on defined benefit pension plan obligation	-	1,284	44	1,328	-	1,405	58	1,463
Expected return on defined benefit pension plan assets	-	(977)	(47)	(1,024)	-	(1,082)	(60)	(1,142)
Total	-	1,377	(183)	1,194	(210)	1,430	66	1,286

Notes to the financial statements *(continued)*

22 Pension scheme *(continued)*

The expense is recognised in the following line items in the statement of financial activities:

	2021				2020			
	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000
Staff costs	-	1,070	(180)	890	(210)	1,107	68	965
Other finance (income)/costs	-	307	(3)	304	-	323	(2)	321
Total	-	1,377	(183)	1,194	(210)	1,430	66	1,286

The total amount recognised in the statement of financial activities in respect of actuarial losses is £2,530,000 (2020: £984,000 gain).

The fair value of the plan assets and the return on those assets were as follows:

	2021				2020			
	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000	Derbyshire £000	South Yorkshire £000	North Yorkshire £000	Total £000
Equities	-	23,847	-	23,847	-	21,035	1,419	22,454
Government debt	-	6,557	-	6,557	-	5,493	463	5,956
Corporate bonds	-	3,983	-	3,983	-	2,970	-	2,970
Property	-	4,420	-	4,420	-	3,662	177	3,839
Other	-	9,763	-	9,763	-	7,528	366	7,894
Total	-	48,570	-	48,570	-	40,688	2,425	43,113
Actual return on plan assets	-	7,862	628	8,490	-	(1,287)	11	(1,276)

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories.

Principal actuarial assumptions (expressed as weighted averages) at the period end were as follows:

South Yorkshire pension scheme	2021 %	2020 %
Discount rate	2.1	2.4
Expected rate of return on plan assets	2.1	2.7
Rate of increase in salaries	4.0	3.4
Rate of inflation	2.7	2.1
Rate of increase in pensions	2.8	2.2

In valuing the liabilities of the pension fund at £64,505,000 mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 22.5 years (male), 25.3 years (female)
- Future retiree upon reaching 65: 24.0 years (male), 27.2 years (female)

Notes to the financial statements *(continued)*

22 Pension schemes *(continued)*

North Yorkshire pension scheme	31 January 2021 %	31 March 2020 %
Discount rate	1.6	2.3
Expected rate of return on plan assets	-	2.5
Rate of increase in salaries	3.4	3.2
Rate of inflation	2.1	1.9
Rate of increase in pensions	2.1	1.9

In valuing the liabilities of the pension fund at £nil mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at 31 January 2021 are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 21.9 years (male), 24.0 years (female)
- Future retiree upon reaching 65: 23.6 years (male), 25.8 years (female)

History of plans

The history of the plans for the current and prior periods is as follows:

Balance sheet

South Yorkshire pension scheme	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Present value of scheme liabilities	(64,464)	(53,737)	(56,576)	(51,700)	(53,562)	(40,961)
Fair value of scheme assets	48,570	40,688	43,435	41,748	40,355	32,699
Present value of unfunded defined benefit obligations	(41)	(40)	(54)	(55)	(59)	(63)
Deficit	(15,935)	(13,089)	(13,195)	(10,007)	(13,266)	(8,325)

Notes to the financial statements *(continued)*

22 Pension schemes *(continued)*

Experience adjustments

	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %
Experience losses/(gains) on scheme liabilities as a percentage of scheme liabilities	14.1	(8.4)	6.1	(7.1)	19.4	(7.4)
Experience gains/(losses) on scheme assets as a percentage of scheme assets	14.2	(8.7)	3.0	1.5	15.5	(2.5)

Balance sheet

North Yorkshire Pension Fund

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Present value of scheme liabilities	-	(2,325)	(2,372)	(2,212)	(2,046)	(1,547)
Fair value of scheme assets	-	2,425	2,422	2,161	1,930	1,506
Surplus/(deficit)	-	100	50	(51)	(116)	(41)

Experience adjustments

	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %
Experience (gains)/losses on scheme liabilities as a percentage of scheme liabilities	-	(3.4)	0.6	0.2	17.4	(7.5)
Experience (losses)/gains on scheme assets as a percentage of scheme assets	-	(2.0)	5.5	4.8	16.2	(3.3)

The group expects to contribute approximately £446,000 to its defined benefit plans in the next financial year.

Notes to the financial statements (continued)

22 Pension schemes (continued)

Defined contribution pension scheme - Company

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £201,000 (2020: £245,000). Contributions amounting to £22,000 (2020: £38,000) were payable to the scheme and are included in creditors.

Defined benefit pension scheme - Company

The charity contributes to a defined benefit pension scheme operated by South Yorkshire Pension Authority. The latest full actuarial valuation for which results are available was carried out at 31 March 2019 and was updated for FRS 102 purposes to 31 March 2021 by a qualified independent actuary. On 1 April 2019, the 7 Hills Leisure Trust and the Sheffield International Venues Limited South Yorkshire Pension schemes, were transferred into the Sheffield City Trust South Yorkshire Pension scheme. The assets and liabilities transferred were settled through capital contribution/donations to Sheffield International Venues Limited and 7 Hills Leisure Trust respectively.

The information disclosed below is in respect of the whole of the plans for which the company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2021 £000	2020 £000
Present value of funded defined benefit obligations	(64,505)	(53,777)
Fair value of plan assets	48,570	40,688
Net liability	(15,935)	(13,089)

Movements in present value of defined benefit obligation

	2021 £000	2020 £000
At beginning of year	53,777	15,174
Current service cost	828	996
Interest cost	1,284	1,405
Curtailment	230	-
Actuarial losses/(gains)	9,072	(4,498)
Past service cost	-	97
Contributions by members	169	193
Benefits paid	(855)	(1,047)
Business combinations	-	41,457
At end of year	64,505	53,777

Movements in fair value of plan assets

	2021 £000	2020 £000
At beginning of period	40,688	13,240
Expected return on plan assets	977	1,082
Actuarial gains/(losses)	6,886	(3,543)
Administration expenses	(12)	(14)
Contributions by employer	717	582
Contributions by members	169	193
Benefits paid	(855)	(1,047)
Business combinations	-	30,195
At end of year	48,570	40,688

Notes to the financial statements *(continued)*

22 Pension schemes *(continued)*

Expense recognised in the statement of financial activities

	2021 £000	2020 £000
Current service cost	828	996
Past service cost	-	97
Effect of curtailments	230	-
Interest on defined benefit pension plan obligation	1,284	1,405
Expected return on defined benefit pension plan assets	(977)	(1,082)
Administration expenses	12	14
	<hr/>	<hr/>
Total	1,377	1,430
	<hr/> <hr/>	<hr/> <hr/>

The expense is recognised in the following line items in the statement of financial activities:

	2021 £000	2020 £000
Staff costs	1,070	1,107
Other finance income	307	323
	<hr/>	<hr/>
Total	1,377	1,430
	<hr/> <hr/>	<hr/> <hr/>

The total company amount recognised in the statement of financial activities in respect of actuarial loss is £2,186,000 (2020: £955,000 gain).

The fair value of the plan assets and the return on those assets were as follows:

	2021 Fair value £000	2020 Fair value £000
Equities	23,847	21,035
Government debt	6,557	5,493
Corporate bonds	3,983	2,970
Property	4,420	3,662
Other	9,763	7,528
	<hr/>	<hr/>
Total	48,570	40,688
	<hr/> <hr/>	<hr/> <hr/>
Actual return on plan assets	7,862	(1,287)
	<hr/> <hr/>	<hr/> <hr/>

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories.

Notes to the financial statements *(continued)*

22 Pension schemes *(continued)*

Sheffield City Trust

South Yorkshire pension scheme

Change in assumption at 31 March 2021:	Approximate % increase/(decrease) to the defined benefit obligation	Approximate monetary amount (£'000)
0.1% increase in discount rate	(1.9%)	(1,219)
0.1% increase in inflation	1.9%	1,243
0.1% increase in pay growth	0.2%	129
1 year increase in life expectancy	2.6%	1,899

RPI and CPI inflation

CPI has been derived by deducting a margin from the market-implied RPI to, in part, allow for supply/demand distortions in the investment markets and in part because CPI is currently a lower measure of inflation. In 2020, it was announced that RPI will be aligned with CPIH from 2030 onwards. Because CPIH construction generally gives lower inflation figures than RPI, this means RPI inflation will be lower from 2030.

Factoring this in has resulted in a CPI assumption that is 0.1% lower than it would be under previous methodology (relative to the market implied RPI). The impact of this has been to reduce the pension scheme liabilities by £1,243,000 relative to the prior year methodology.

Nature of benefits

On retirement, individuals that were members of the defined benefit pension scheme prior to April 2008 receive a cash lump sum on retirement, which they can elect to increase to a maximum of 25% of their pensionable pay, and will receive the remainder of their pension in equal instalments over the remainder of their life, with 50% of their annual pension then being paid to their spouse. Members of the scheme joining after April 2008, do not automatically receive a lump sum on retirement, but can elect to receive up to 25% of their pensionable pay, and will receive the remainder of their pension in equal instalments over the remainder of their life, with 50% of their annual pension then being paid to their spouse.

Regulatory framework in which the plan operates

Sheffield City Trust participated in two defined benefit pension schemes during the year operated by the South Yorkshire Pension Authority and the North Yorkshire Pension Authority (“Administering Authorities”) during the year which form part of the Local Government Pension Scheme for local government and related employees in England and Wales (“LGPS”).

The LGPS is established under and governed by:

- the Superannuation Act 1972;
- the Public Service Pensions Act 2013;
- the Local Government Pension Scheme Regulations 2013, SI 2013/2356;
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, SI 2014/525;
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, SI 2016/946; and
- the Local Government Pension Scheme (Amendment) Regulations 2018, SI 2018/493.

Notes to the financial statements *(continued)*

22 Pension schemes *(continued)*

Other entities responsibilities for governance of the plan

The LGPS is a funded, statutory, public sector pension scheme administered, managed and funded at a local level. Sheffield City Trust is an admission body for the purpose of the LGPS and the three schemes in which it participates further to admission agreements entered into with the relevant Administering Authorities.

The Administering Authorities govern each regional LGPS with the support from Local Pension Boards and the Scheme Advisory Board. Nonetheless, it is the Administering Authority who has the primary responsibility for the management and administration of its LGPS fund.

Under relevant legislation and policy the underlying investment fund of each Administering Authority is consolidated into a larger regional fund under a single investment body. The funds administered by the South Yorkshire Pension Authority and the North Yorkshire Pension Authority are consolidated into the Border to Coasts fund and the Derbyshire County Council Pension Fund is consolidated into the LGPS Central fund.

The Local Pension Boards assist the Administering Authorities to secure compliance with the LGPS regulatory framework and generally to ensure the efficient and effective governance and administration of the LGPS. The Scheme Advisory Board is a single Board existing at national level with responsibility for providing advice to the Secretary of State on the desirability of making future changes to the LGPS. The Board also provides advice to the Administering Authorities and Local Pension Boards in relation to administration and management of the LGPS and its funds.

In addition to the above, the Pensions Regulator is responsible for setting standards of governance and administration in public service pension schemes and has extended regulatory oversight of such schemes.

23 Business Combinations

On 1 May 2020 the subsidiary operations of Sinfin Golf Course and Tapton Park Golf Course were transferred to Sheffield City Trust, the ultimate controlling party from 7 Hills Leisure Trust and SIV Enterprises Limited respectively. On this date, the assets and liabilities in respect of these venues were also transferred to Sheffield City Trust at their net book value. The assets and liabilities transferred were as follows:

	£000
Fixed assets	233
Intangible assets	2
Stock	1
Debtors	24
Cash – clearing accounts	1
Creditors: Amount falling due in less than one year	(86)
	175
Net Assets	175

On 1 November 2020 the subsidiary operations of Westfield Sports Centre were transferred to Sheffield City Trust, the ultimate controlling party from 7 Hills Leisure Trust. On this date, the assets and liabilities in respect of this venue were also transferred to Sheffield City Trust at their net book value. The assets and liabilities transferred were as follows:

	£000
Debtors	8
Cash – clearing accounts	1
Creditors: Amount falling due in less than one year	(15)
	(6)
Net Assets	(6)

The net assets were transferred at net book value and were settled through intercompany transfer. The net book value is equivalent to fair value.

Notes to the financial statements *(continued)*

24 Related party transactions

Directors and key management

Remuneration amounting to £636,000 (2020: £587,000) was paid to directors and other key management during the year. In addition, the charity made contributions of £166,000 (2020: £71,000) to defined benefit schemes in respect of the directors and other key management. The remuneration includes gross redundancy payments amounting to £54,000 and additional payments to the defined benefit pension scheme of £81,000 due to redundancy.

Sheffield City Council

Under the renewed Funding Agreement dated 22 February 2000 (which superseded the Funding Agreement dated 18 December 1992) between Sheffield City Trust (“the charity”) and Sheffield City Council (“the council”) the charity is entitled to receive income from the council to enable it to make neither a surplus nor a deficit for the year on its operating activities in respect of Ponds Forge International Sports Centre, Hillsborough Leisure Centre and Sheffield Arena and associated facilities. The agreement may be terminated by either party on two months notice to expire on or after 31 March 2024.

An agreement was entered into on 5 April 2000 for the operation of Concord Sports Centre, Beauchief Golf Course, Birley Golf Course and Tinsley Park Golf Course between the charity and the council entitling the charity to receive fixed grant payments, reviewed every three years.

A separate agreement was entered into on 5 April 2000 for the operation of Sheffield City Hall between the charity and the council entitling the charity to receive fixed grant payments, reviewed every three years.

Agreements were entered into on 1 July 2011 for the operation of Heeley Swimming Pool and Gym and Springs Leisure Centre between the charity and the council entitling the charity to receive payment for services, reviewed annually.

During the period the Sheffield City Trust group entered into the following transactions with the council.

- The council advanced £18,439,000 (2019: £18,439,000) to the charity under the shortfall agreement to meet payments made with regards to the charity’s bond liability, of which £3,798,000 (2020: £4,676,000) related to the interest due on the bond.
- The council advanced £7,853,000 (2020: £2,067,000) to the group under the above agreements, to cover costs incurred by the group.
- The council advanced £91,000 (2020: £88,000) to the charity towards its charitable activities in the community.
- The charity owes the council £nil (2020: £nil) in line with the terms of the funding agreement.
- The charity owes the council £90,688,000 (2020: £76,047,000) with regards to payments made by the council on behalf of the charity with regards to the charity’s bond liability.
- The council advanced £nil (2020: £1,228,000) for the cost of building a sports hall at the English Institute of Sport- Sheffield for use by a local school.
- The council advanced £1,575,000 (2020: £441,000) for the cost of various essential maintenance required on venues that the group manage on their behalf.
- The group entered into other arms length transactions with the council comprising of sales of goods and services to the council of £47,000 (2020: £210,000) with amounts owed to the charity of £15,000 (2020: £20,000) at the year end.
- The group entered into other arms length transactions with the council comprising of purchases of goods and services from the council of £32,000 (2020: £86,000) with amounts owed by the charity of £11,000 (2020: £11,000) at the year end.

Notes to the financial statements *(continued)*

25 Accounting estimates and judgements

In preparing these financial statements, the trustees have had to make the following judgements:

- Determine whether there are indicators of impairment of the charity's non-current assets. The non-current assets were fully impaired in the prior year and there is no indication in the current financial year that would result in a reversal of this impairment.
- Going Concern; As disclosed in note 1, the financial viability of the Trust is dependent on both continued support from the council (working capital and venue investment) and to achieving the trading assumptions in the 2 year business plan. The operating environment presents a number of challenges which could contribute to the Trust failing to achieve its operational cash flow forecasts. The plan is monitored closely by the Trustees.

Other key sources of estimation uncertainty are:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Defined benefit pension liabilities are calculated using assumptions and estimates over key metrics and drivers of change. The charity relies upon an expert third party, an actuary, to calculate the impact of these assumptions upon any pension liability. Management assess the adequacy of assumptions used on an annual basis. Sensitivity analysis, together with assumptions used, have been included in note 22.

