

Everybody Sport & Recreation

Trustees' Report and Financial Statements

Period Ended 31st March 2020

Company Registration No: 08685939

Charity Registration No: 1156084

Contents Page

Trustees, Directors, Principal Officers & Advisors	3
Chief Executive's Report	4
Trustees' Annual and Strategic Report	7
Independent Auditors Report	40
Statement of Financial Activities	44
Balance Sheet	45
Cashflow Statement	46
Notes to Financial Statements	48

Trustees, Directors, Principal Officers & Advisors

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

Company No. 08685939 Charity No: 1156084

Trustees

The trustees presently serving are:

Andrew Kolker (Chair)	Martin Hardy
Philip Bland	Colin Chaytors
Zoe Davidson	Richard Middlebrook
Suzie Akers Smith	Christopher Gee (appointed 24 th Oct 2019)
Harry Korkou	Kimiyo Rickett
Alex Taylor	

Auditors

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

Bankers

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

Company Secretary

Oakwood Corporate Services

Principal Officers

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

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

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

Chief Executive's Report

It was all going so well wasn't it..... Just 11 days short of yet another highly successful year and everything stopped, overnight, for all of us.

I hope you will understand that I cannot allow this final week or so, however disastrous, to overshadow or demean the hard work and endeavour of everyone in the preceding 354 days.

By convention, this report will cover our overall performance to the end of the financial year on 31st March 2020. However, the story I will tell will be of two very distinct periods, focussing quite rightly on our success to 20th March.

Not only will this do justice to our achievements until that point, it will also show what we are capable of doing when better times return, giving us the confidence to go again when we can.

Unusually for a retrospective report, I will also look ahead to our recovery and renewal during 20-21, when we intend to return to helping people live well & for longer and be even better than before.

I would like to recognise the support we have had from both Central & Local Government during this crisis. Without this, there would be no recovery plans in place and no hope for new adventures in the future. It is reassuring to have the opportunity to think beyond this temporary hiatus in our development and look to the future with renewed confidence.

So, how did we do?

By 20th March 2020 our overall performance had maintained its continued upward trend from previous years, seeing more members, greater participation and improved customer satisfaction than ever before.

In addition, we had continued to invest in our facilities and gym equipment with the £4M Macclesfield Leisure Centre project underway. This scheme provides an extended gym & new kit, improved fitness studio spaces including a dedicated Spin room, a modern village change area, new reception and customer entrance as well as a Spa & Sauna room.

In September, we opened the Alsager Outdoor Sports Hub with new artificial pitches for both football and hockey, complemented by a major refurbishment of Alsager Leisure Centre including a dedicated group cycling studio, group exercise room and new pool viewing area.

On October 31st we opened our brand new facility at Alderley Park, welcoming hundreds of additional members and introducing 'The Trip' – our first fully immersive cycling workout experience.

In amongst all this growth and innovation, we also suffered our first setback, we lost out on being re-awarded the 'One You' health contract by just 2.8% on evaluation, despite the excellent performance of this team achieving all KPI's for local residents over the preceding three years.

Undaunted and given the success and popularity of our range of health interventions, our Board of Trustees agreed to continue to invest in these services for those who need our help the most. We have now developed and enhanced a new offer to support our most vulnerable clients and customers and help improve their health & wellbeing as they recover from cancer, cardio problems and COPD for example.

These locally designed services were further enhanced by the introduction of national clinical pilot schemes on behalf of Eastern Cheshire CCG and the Health Improvement Network. Initiatives such as 'Escape Pain' for those suffering from Osteoporosis and lower back pain have now been launched and are helping customers cope better with their conditions.

Our 'Bikeability' scheme trained over 6,630 children from 153 schools throughout the year, giving them the skills they need to cycle safely and have fun. The target of 5,305 set by DfT was exceeded by over 1,300 children.

At the beginning of 2019/20, we had submitted our '5 Towns' investment programme, generating over £15M of additional capital funding for new & improved facilities at Poynton, Nantwich, Middlewich, Knutsford and Wilmslow. Since then, detailed business cases have been submitted and approved for Middlewich, Nantwich & Poynton and work has now commenced at the Barony in Nantwich.

This spend will complete the investment plans we began in 2014 with the start of the Crewe Lifestyle build and means 2021 and beyond promise to be even more exciting as the remainder of this 10 year investment programme continues to deliver better facilities for local people across Cheshire East.

Our Volunteers have been fantastic in helping others stay well and be active and they have freely given over 40,000 hours of their precious time to their local communities since 2014. This introduction cannot do justice or thank them enough for their selflessness and generosity of spirit.

All in all, then and despite everything that has happened recently, I hope you will agree 2019-20 was a very successful year. Since then, the country saw a 3 month lockdown, followed by 3 months with all of our facilities open and we now are entering our second national lockdown - we 'celebrated' our 6th anniversary on 1st May 2020 with empty buildings and swimming pools and tremendous uncertainty about our future recovery. With no customers able to visit us, our immediate focus has been on protecting local jobs, maintaining our facilities and saving our charity in readiness for reopening.

At the same time, we are working with our Board to develop a longer term 'Recovery & Renewal Plan' for 2020 and beyond, demonstrating our confidence in the future and an ambition to match our previous success.

We have come this far together and achieved so much. We need to believe that better times will come again, and we will have the opportunity to welcome all our customers back to our centres. In all my previous Annual Report introductions, I have always thanked our customers for their support in enabling us to achieve our targets and to serve them. Our customer survey last autumn showed 84.6% overall satisfaction and with the new investment plans still to come, we hope to increase that still further, year after year.

I would like to thank all our customers and clients once again this year too - for staying with us during the lockdown, for taking advantage of our online classes and virtual offer and, most importantly, for returning to us once circumstances change and we can see you all again, the way it used to be.

It only remains for me to pay tribute to our staff who, like many others across the country, have found themselves 'furloughed' on reduced pay, anxious about their future employment whilst coping with the threat of coronavirus too. At the same time, a few staff continued to work to keep the centres safe, secure and ready to reopen once the lockdown was lifted. Everyone has had a role to play in our survival and they have all played it well. I cannot thank them enough for their support, understanding, flexibility and cooperation throughout this crisis and I know this goodwill and team spirit will continue throughout our eventual recovery.

2020-21 will inevitably be a year to reset, to reflect on our achievements to date, to redesign our services and customer offer and continue our adventure better prepared for the future.

Now we have the hard-won experiences of managing a potentially catastrophic hit on our charity, during which we have learned valuable and important lessons, nurtured strategic working relationships with our major clients, gained new insight into further growth opportunities and developed new, popular ways of delivering our offer.

It is vital we recognise all these advantages now and embed them where it makes sense to do so. After all, our ambition remains undiminished.

We all look forward to the day when we can welcome everybody back to our centres & services and continue our investment in health and leisure.

Best wishes

Peter Hartwell

CEO Everybody Sport & Recreation

Trustees' Annual Report & Strategic Report

About Us

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

We are responsible for delivering leisure services and public health initiatives in partnership with Cheshire East Council and Holmes Chapel Parish Council.

Our key services include:

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

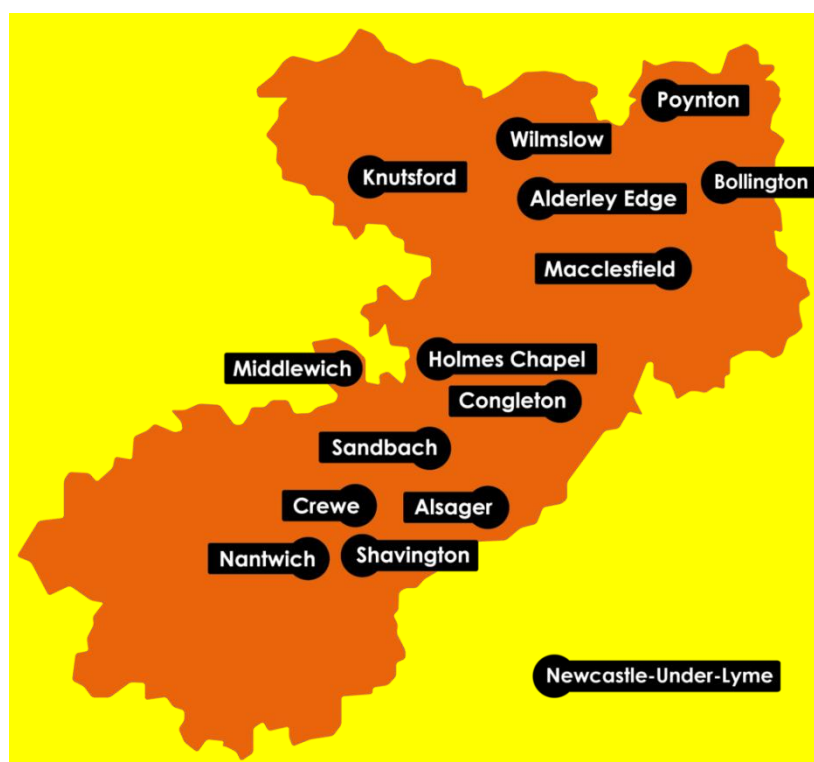
Strategic direction is provided by the independently appointed Board of Trustees. The Board has ultimate responsibility for the governance of the Trust and supports the management team to deliver their strategic aims.

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

Where we work

The majority of our work is in Cheshire East, in the communities surrounding our 15 leisure centres. We also manage three cafes in other, non-Everybody, facilities.

The map below illustrates where our current centres and future sites, ones that we have agreements with, are situated. Fifteen, including two in Holmes Chapel, are situated in Cheshire East with two in the Newcastle-under-Lyme borough.



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

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

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

Getting more people physically active

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

The level of physical activity is measured nationally as part of the Sport England Active Lives Survey. Within Cheshire East, participation in physical activity has been growing for the last few years since Sport England redefined these measures.

In the latest survey, released in April 2020 but covering the 12 months from November 2018 to November 2019 – prior to COVID pandemic, the level of activity across Cheshire East is lower than it was last year. This still equates to 61.8% of adults – 190,445 people – being active for over 150 minutes per week.

Table 1 – Level of Physical Activity (Source: Active Lives – April 2020)

Area	Inactive (<30)	Low-active (30-149)	Active (150+)
England	24.6% (-0.5%)	12.2% (-0.1%)	63.3% (+0.6%)
North West	25.8% (-0.5%)	11.9% (-0.6%)	62.3% (+1.1%)
Cheshire East	25.0% (+3.9%)	13.2% (+4.1%)	61.8% (-8.0%)
Cheshire West	23.0% (-1.3%)	11.7% (-1.5%)	65.3% (+2.8%)
Warrington	26.1% (+1.7%)	14.8% (-0.4%)	59.1% (+1.7%)

Within our centres, participation increased based on the previous year up until mid-March with more attendances recorded than ever before within our Cheshire East Council leisure facilities. A decline in mid-March and subsequent closure, directly attributable to the COVID pandemic, meant this was slightly lower than anticipated but 2019/20 was still a record year for participation in leisure.

Vision

At Everybody, we don't just believe in getting more people, more active, more often – that goes without saying! In order to make a real impact on the health and social issues affecting our communities, we need to target our efforts and our service offer. Only in this way can we make participation in leisure and recreation an important part of everybody's day to day lives, whatever their ability or need.

Leisure for Life

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

Helping people to live well and for longer

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

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

Values

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

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

Fit for the Future	We will give everyone the opportunity to train and enhance their skills by encouraging people to develop themselves and others. Creating and promoting 'careers in leisure'.
Working as one	We will all work to the common goal of providing 'leisure for life' and support each other in all we do.
Trusted and honest	We respect and value the input of every person and at all times act with integrity and respect.
In the service of others	We will provide first class facilities and services that are well maintained, inviting and valued by our customers.

**Free to do
our Best**

Our culture and business processes will support people to act on their own initiative – with innovation being recognised and rewarded.

Caring for all

We will actively seek to involve everyone in all communities, working in partnership and with a passion for people.

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

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

Key Achievements

This section highlights our achievements over the past year. To help to illustrate what we have achieved, we have broken them down under our Strategic Aims.

**Improve Wellbeing through
Physical Activity & Healthy
Recreation**

**Build an Ethical and
Sustainable Business**

**Provide a Great Customer
Experience**

**Develop our People to be
the Best**

Our Strategic Aims help to guide what we do and subsequently what we have achieved.

Improve Wellbeing through Physical Activity & Healthy Recreation

One You

In the first half of the year we completed our delivery of One You service under the initial three year contract under the following delivery programmes:

Physical Activity (Active Lives, Fit for Birth)

Adult Weight Management (Re-Shape)

Children's Weight Management (Lets Get Movin')

Falls Prevention (Be Steady Be Safe)

Healthy Eating (Taste for Life Cookery Courses for Adults, Children & Family Workshops and Fakeaway Classes)

All key performance indicators were achieved, often exceed, throughout the life of the contract.

In total, 6,367 people have completed one of the programmes. Highlights have included:

70% of people take from inactive to active

97% of people have lost weight

85% of people improved quality of life score

71% of people improved mental health

The overall customer satisfaction rate was 9.5 out of 10 with 65% of completers taking up a follow-on membership.

Health Innovation

In order to support the ongoing demand for existing and future clients, in November 2019, a new exercise referral scheme for people with long-term medical conditions was launched. We have also continued to offer the follow on classes for previous schemes and the falls prevention programme primarily in Everybody venues.

We managed to retain a number of the expertise and experience to deliver the new schemes as well as providing continuity for existing participants. Initial uptake of the new programmes has been good.

During the COVID pandemic, having postponed the sessions and ultimately closed our centres, we needed to do things differently. Support was provided in the form of regular phone calls to vulnerable and elderly members who would usually access their falls prevention programmes and Everybody Healthy rehabilitation classes and online classes were offered including:

Everybody Lower Back – a class for those who have a non-specific low back pain. The exercises consist of gentle movement and mobility helping to reduce back pain and increase movement.

Everybody Mobility – a class aimed at older adults who are at risk of falling, particularly those who are over the age of 70.

Everybody Get Moving – a gentle exercise routine to improve/help with your flexibility, aerobic capacity, balance and strength.

Case Study – ESCAPE-pain

Joan is 87 years old, from Holmes Chapel, she has recently completed the ESCAPE-pain class at Holmes Chapel Community Centre. When she began the class she was extremely nervous, she didn't have very good balance and wasn't confident when walking around.

At the beginning, she had a lot of scepticism; she didn't believe that exercising would be able to have the same effect on her pain as medication did. After 3 weeks of ESCAPE-pain classes with instructor Josie Hurst, Joan began to feel a drastic difference; she had a reduction in pain and also started to feel better within herself.

The structure of the class made her feel extremely comfortable and she felt that being around people with similar problems to her helped her gain confidence in the class – she felt like it wasn't just her suffering and knew that other people were going through the same thing.

Joan was shocked in the class as she thought she'd struggle with some of the exercises, but she found that there was nothing she couldn't do and it felt great! The exercises made a vast improvement in Joan's ability and confidence, and the fact that the exercises could be done at home made her more interested in exercising at home.

Since completing ESCAPE-pain, Joan no longer requires the stick that she was dependent on and can walk up and down the stairs with ease. However for Joan, the pain reduction is not the only way her life has improved because of ESCAPE-pain. Her balance has drastically improved and Joan now feels confident enough to go down to the shops by herself!

Joan has now joined the gym, and along with 3 of her friends that she made at the ESCAPE-pain class, goes to the gym at least twice a week and they all travel there together. The friendships Joan has made from ESCAPE-pain have helped her a lot; they all support and motivate each other.

Joan now enjoys exercising and has set her sights on doing some Aquafit classes next! Joan is extremely grateful for the help she received from Everybody Lifestyle Coach Josie Hurst, they built up a great relationship and Joan now attends Josie's

follow on classes, where they continue implementing the exercises. Joan loves the social side of the classes and found the relationship between everyone was a lot of fun, and they made time to make a lot of jokes together.

ESCAPE-pain

ESCAPE-pain is an evidenced based education and exercise programme for people with Osteoarthritis of the knee or hip. We have been successfully delivering this programme since 2018, as commissioned by Health Innovation Network South London (HIN) with funding from secured Sport England to deliver ESCAPE-Pain across the country.

Our scheme, one of the most successful across the country, helped to secure our first Clinical Commissioning Group (CCG) contract by Eastern Cheshire CCG. An initial 12 month pilot programme was commissioned.

We also launched a specific ESCAPE-Pain programme for Lower Backs, in partnership with the Health Innovation Network (HIN) and the local CCGs. Due to previous successes, HIN approached us to be one of 7 national pilots. Upon completion, the data will be evaluated by HIN with potential to rollout across the country. Our aim is to continue working with the CCGs to ensure ESCAPE-Pain is identified as part of the clinical pathway potentially leading to further commissioning opportunities.

Volunteers dedicate 40,000 hours of their time to support others

In November 2019, we passed the 40,000 hours of volunteering milestone. This goal, originally set in 2014, has been achieved four months ahead of the original target which illustrates the continued success of the volunteer programme and commitment of individual volunteers.

Commitment of volunteers

Obtaining a milestone such as 40,000 hours has been the result of the commitment of numerous volunteers to the community of Cheshire East – too many to name. The walking sessions, including Health Walks and Nordic Walking, have been key programmes that have been supported by a number of long serving volunteers. Without them, the programmes would not be able to run and the number of volunteer hours completed would have been considerably lower. Six volunteers have each completed over 500 hours since 2014.

One particular individual, an advocate for Nordic Walking, has contributed an amazing 1/16 of the hours completed since 2014. David Lambert, from Poynton, has contributed over 2,500 hours of his time to support others to get active in the outdoors around Poynton and train new Walk Leaders.

Swim Pool Helper Role

A key reason for spike in volunteering hours in 2018/19 was the Swim Pool Helper role.

Launched in 2018/19, the role was designed to give volunteers opportunities to support swimming lessons and, at the same time, gain experience of the Swim Teacher role – whilst working alongside and being mentored by them. There were numerous opportunities for volunteers in this role. At its peak, 34 volunteers contributed a monthly total of 316 hours.

In total, this contributed 2,319 volunteer hours in 2018/19. This equated to 29% of the total.

As part of this opportunity, training is provided to the volunteers. In 2018/19, six volunteers completed their Swim Teacher Level 1 and 2. All six progressed into employment with Everybody.

This trend has continued into 2019/20 with 13 volunteers completing their Swim Teacher Level 1 or 2 (up to November 2019). Of these, 12 have become Swim Teachers.

The role has recently been evaluated and has adopted guidance from the Swimming Teachers' Association (STA). The revised role is currently being promoted to bring in the next wave of Aquatics Helpers.

Volunteers Moving in to Employment

In addition to the individuals that have transitioned from Swim Pool Helpers to become Swim Teachers, there are a few examples of individuals that have moved in to employment:

Sean Taylor, from Wilmslow, was volunteering up to 17 hours per week supporting various Sports Development sessions and the Active Holidays programme – totalling over 200 hours in 2018/19. He was introduced through our partnership with Total People (Total People help their learners to progress in to employment with support from their learning advisors). From the experience and confidence, gained through the role, he was successful in obtaining a job as a General Assistant at Wilmslow Leisure Centre.

Paul Davies, also from Wilmslow, started volunteering as he was looking to change his career. He started to exercise regularly – having felt the benefits – he wanted to help others to do the same. From his first meeting with our Volunteer Coordinator, Paul got stuck into the opportunities presented – initially the Active Holidays programme. After his first week, although mentally and physically exhausted, Paul was hooked. He has supported various other opportunities and accessed a number of training courses. As a result of his hard work and dedication, Paul gained employment as an Assistant Swim Teacher.

Volunteering – reaching our 40,000 hours milestone ahead of target!

As outlined within the case study, we reached our longstanding 40,000 hours milestone in November 2019. This is testament to the hundreds of volunteers that have contributed their time to make this possible.

Over the past year 185 volunteers contributed their own time to support us to help people to live a healthy and lifestyle throughout the last year. Collectively they contributed over 6,770 hours across a variety of opportunities.

Disability

The Ability for All programme provides inclusive activities for all ages. Part of this includes with funding from Cheshire East Council through Short Breaks to deliver activities for children with disabilities with their families. In 2019/20 a total of 173 dry side sessions were delivered resulting in 1,796 attendances. We also delivered 353 Alpha swimming lessons for children & young people with a disability as part of the Short Break Contract. There was also an additional 755 swimming lessons for the children who continued swimming after they had completed their Alpha lessons.

In addition to Short Breaks during 2019/20, Ability for All have also:

Provided 20 activity sessions children in Home Education resulting in 278 attendances

Started weekly boccia activity sessions with 119 attendances from the 22 sessions ran

Supported a range of partners such as Friends for Leisure and Cheshire East Day Services along impairment specific groups with bespoke activities as requested

We continue to take every opportunity to improve accessibility and improve programming for individuals with specific needs. Key aspects of the forthcoming development programmes include improving accessibility for all potential users where feasible. As part of each scheme, our Disability & Inclusion Lead is consulted at the planning stage to ensure everyone's needs are considered at this stage.

Options

The options membership allows people in various demographics and those in receipt of certain allowances/benefits to enjoy leisure activities at a discounted rate. We have worked with the council to maintain this offer to ensure the discounts are maintained to encourage access for the whole community.

As of the end of March, nearly a quarter (23.3%) of fitness memberships were held by Options card holders. When looking at all members, 11% have an Options card.

Talented Athlete Support Scheme

Another successful year has seen a 39% growth in memberships to 189 at the end of the year. Athletes are involved in a diverse range of sports including athletics, gymnastics, martial arts, rugby, sailing and snow sports.

We delivered the second Talented Athlete Support Scheme (TASS) Conference. Athletes came together at Holmes Chapel Community Centre to share stories of their journeys to date and their advice with the audience. In addition, we welcomed a number of external hosts to speak about aspects of the mental side of sport, nutrition and keeping robust as an athlete.

The Everybody Sports Awards was a successful evening for athletes from the TASS programme. Winners included Jack Schofield (Sports Personality of the Year – Iron Man Triathlete), Josh Betteley (Disabled Sports Achiever – Middle Distance Runner) and Milly Horsfield (Young Sports Achiever – Judo).

Cared for Children

Supported by Cheshire East Council, we continue to support Cared for Children to access a variety of activities along with their carers and siblings. As of the end of the year, we had 575 members. They can access a variety of activities including attending the gym, going swimming and playing badminton.

Bikeability

Cheshire East Council has a grant, from the Department for Transport, to deliver Bikeability until 2021. We deliver the programme on their behalf and have done for a number of years.

During 2019/20, 6,631 children, from 117 schools across Cheshire East, completed a Bikeability course.

We continue to have a good working relationship with our delivery partner, Cyclist Training Limited. We receive positive feedback from participants and schools alike regarding the scheme.

Everybody Foundation

The Everybody Foundation is an independent charity that raises funds to support individuals and groups to promote a healthy and active lifestyle.

Staff and customers have continued to raise funds to allow the Foundation to provide the grants awarded to date and for the future. Direct support has also been provided by identified roles within the business and each £ raised by the Foundation is matched up to a maximum of £5,000 per annum. Challenges this year have included a solo virtual marathon.

In 2019/20, the Everybody Foundation, has awarded 14 grants for a total of £3,890. Recipients included community sports clubs to develop their volunteers and increase access for local people as well as supporting individuals to reach their potential.

Case Study – Holmes Chapel Boxing Club

In February 2019, Holmes Chapel Boxing Club hosted the first boxing event of its kind in Holmes Chapel, the day, held at Holmes Chapel Leisure Centre, saw over 200 people come through its doors to support the young people taking part in the event. Multiple bouts took place on the day, with many Holmes Chapel residents taking the win in their debutant fight.

Holmes Chapel Boxing Club was awarded a grant from the Everybody Foundation, which allowed them to improve training facilities for their boxers. The club was created to provide a positive alternative to anti social behaviour

following reports of organised fights taking place after school. They aim to create a safe, high quality environment for everyone – with everybody welcome.

Supporting causes like the Holmes Chapel Boxing Club is what the Everybody Foundation aims to do. Speaking on the event, Kerry Shea, Director at Everybody Sport and Recreation said, “We are delighted to have supported the boxing club in their first event, held at our facility, which was so successful. They are doing this work to support the community, and this event did not disappoint. A massive well done to all of the people involved.”

All of the coaches at Holmes Chapel Boxing Club work voluntarily and have full time jobs. They are all so proud of the achievements of their members. The club is set to grow even more, with attendance numbers increasing every week – encouraging more and more young people to look into boxing for not only exercise and fun but for mental health support.

Build an Ethical and Sustainable Business

Investment

Over the last year we have seen further significant investment into a number of our sites. Together we are continuing the investment into a number of sites with a focus on modernisation and reducing energy consumption. These have included:

Everybody @ Alderley Park

November 2019, we launched the brand new facility which includes a 60 station gym, two group exercise studios, a sports hall, tennis courts, small sided astroturf, cricket pitch and football pitches. In partnership with Bruntwood and Alderley Park Limited, the facility has a state of the art immersive cycling studio – the Trip by Les Mills.

Macclesfield Leisure Centre

A £4million investment scheme to improve and extend the gym, create village changing, add a spa and steam room, create a dedicated group cycling studio, refurbish an exercise studio and an improved reception. Some of the work will be completed in 20/21 but the benefits are already starting to be realised with a much improved user experience at the centre.

Alsager Leisure Centre

The centre has seen an extensive refurbishment and improvement scheme including an extended gym, now offering 51 pieces of Technogym equipment and a new reception with lift access to the first floor. In addition, a group cycling studio and group exercise studio has been created as well as a large open viewing area for the swimming pool.

Alsager Sports Hub

Provided as part of the housing development at the former Manchester Metropolitan University site, the new site is managed by Everybody. With two full sized astroturf pitches – one sand based and one 3G – and three grass pitches, it is the home of AFC Alsager and Triton Hockey club as well as having a number of other users both of the pitches and utilising the perimeter trim trail.

Barony

Internally, a new studio has been created upstairs and will be serviced by a platform lift. Improvements to the downstairs changing rooms improve the user experience and the relocated reception allows access to the upstairs and provides an informal meeting space.

Externally, a perimeter fence has been commissioned to make the site safe with the view of increasing the number of events being held. To be completed in the next few months, conversations are underway with potential event partners.

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

Pre-construction work commenced at the end of the financial year on the first two projects, Nantwich and Poynton, with detailed planning submissions and hopefully full construction to commence in 2020/21.

Performance Management Framework

2019-20 saw the first full year of our business adopting a bespoke performance management scorecard. It is made up of four sections – social impact, commercial, customer excellence and people. No single area is more important than any other and when put together they equate to the totality of our business.

Our Managers and staff review the service performance areas, and these are reviewed by our Board of Trustees and shared with Cheshire East Council to ensure we are jointly working towards key outcomes that are 'helping people to live well and for longer'.

Inclusion & Diversity

To support our approach to ensuring there are no barriers to accessing our services and facilities, an internal working group has been formulated. The group, which meets twice per year, ensures that we recognise the differences and treat people according to their needs. Diversity celebrates the ways in which we differ and is about valuing everyone as an individual. This helps, supported by a clearly initiated policy, to ensure that no one regardless of their age, ability or background receives less favourable treatment or is disadvantaged because of a protected characteristic as identified in the Equality Act 2010.

Environment

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

Along with Cheshire East Council Assets Team, we look at ways we can reduce energy usage. This includes investing in modern systems that use less energy and training staff in how to best utilise all systems to ensure optimal energy performance. In line with this, a joint key performance indicator has been agreed – energy usage per visit. Upgrades to equipment will be considered as part of future investment schemes.

Provide a Great Customer Experience

Participation

Level of physical activity participation is increasing across the country. We are also seeing this at a local level, within our centres and community sessions.

This year, with the effect of COVID pandemic, it has made this difficult to track for a full year, as we have previously, as March saw the attendances reduce from normal levels with the initial uncertainty then the full closure on 20th March.

However, up until March, we were slightly ahead of target for our participation key performance indicator that we report to the Cheshire East Council on. These targets will need to be reset to account for this situation.

One area of growth to highlight is adult participation (17-60 years old) which was the primary growth area this year.

Case Study – Macclesfield Leisure Centre 50+ Club

Macclesfield Leisure Centre is home to one of the biggest hidden gems for the older generation in Cheshire East, their 50+ club. Sessions run three times a week and offer the over 50s an opportunity to keep fit by playing badminton, soft tennis and table tennis on Mondays, Wednesdays and Fridays.

People of all ages come to socialise, play and most importantly win! The session not only provides exercise for those who attend, but is used to combat loneliness and gives members an opportunity to meet new friends and likeminded people. The club is celebrating its 30 year anniversary, with some of the members boasting of their 25+ years dedication to the club. Some of their oldest members are 85

years of age, with some of the youngest around 53 – and the 85 year olds can give them a good game!

Speaking on the importance of the club in his life, member Peter Sutcliffe from Macclesfield said *"it has been more than exercise for me in all the years I have been here, I've made some great friends who I come for a coffee with after playing. It has helped me to stay healthy and fit, I always say you don't stop playing because you are old, you grow old because you stop playing!"*

The session is the only of its kind in Cheshire, with people travelling from around the county to attend.

Memberships

Fitness memberships have grown considerably over the last year. The improved facilities at Macclesfield and Alsager as well as the new Everybody @ Alderley Park have helped with this growth. As of mid-March, ahead of the full effects of the pandemic, memberships had grown to 19,831 – an increase of 12% since the start of the year.

We have continued to offer our successful Wild Card Scheme. For £5, it enables a new group to access services in flexible ways. They are incentivised by discounts and offers to participate in activities at our centres. Our wild card members increased from 3,361 in 2019/20 – a growth of 3% since last year.

The learn to swim scheme has also seen a growth to 8,134 on the already very busy scheme – an increase of nearly 5% since the start of the year.

Everybody Awards

The Everybody Awards 2019, took place on Friday 11th October at the prestigious Crewe Hall, recognising exceptional achievements of sporting and community heroes in Cheshire East.

Over 190 guests enjoyed the evening, presented by Baroness Tanni Grey-Thompson, Paralympic athlete, DBE and crossbench peer, with 16 Paralympic and 13 world championship medals to her name. Megan Giglia MBE, shared her inspirational journey of how she overcame an Acute Brain Haemorrhage to receive the first gold medal for team GB and achieve two world records at the 2016 Rio Paralympic Games.

Those recognised include:

Sports Personality of the Year – Jack Schofield (IronMan Athlete)

Young Sports Achiever of the Year – Milly Horsefield (Judo)

Disabled Sports Achiever of the Year – Josh Betteley (Para-athlete)

Coach of the Year – Sammy Hill (Camm Street Fitness Centre)

Customer Hero – Pauline (Crewe Lifestyle Centre)

Health & Wellbeing – Elworth Pre-school

Club of the Year – Crewe & Nantwich Rugby Club Ladies

Volunteer of the Year – Claire Standley (Cheshire Netball League)

Young Volunteer of the Year – Abigail Painter

Chairman's Award – Simon Jones (South Cheshire Amateur Boxing Club)

Lifetime Achievement – Ron Gill (Macclesfield Seals Swimming Club)

Junior Awards

Children aged 5-11 years old were recognised at the annual Everybody Junior Awards on Saturday 9th November at Holmes Chapel Community Centre; for their inspirational efforts and contributions to local sporting success.

This year's ceremony was sponsored by XN Leisure, SAS Daniels, and Holmes Chapel Parish Council. The winners were:

Junior Member of The Year – Grace Murray

Everybody Helper of The Year – Amelia Yoxall

Everybody Swim Rising Star – Ruby Stonier

Everybody Family of The Year – The Beevers

Junior Achiever of the Year – Oliver Johnson

Sports Personality of the Year (5-8 years old) – Bella McKinney

Sports Personality of the Year (9-11 years old) – Oliver Edwards

Junior Superstar Award - Ned Pearson

A special further award, the 'Chief Executive's Award For Courage & Generosity of Spirit', was presented to Lucie Heathcote during her school assembly.

Taste for Life

Another busy year for Taste for Life highlighted by delivering more events than ever before across all sites. More equipment has been bought and staff upskilled to cater for this growth.

The menu has been developed to provide more healthy choices whilst keeping the old favourites. A loyalty scheme was introduced to reward loyal customers and keeping them coming back.

In partnership with the Health Innovation, the Taste for Life staff have supported the Luncheon Club at Holmes Chapel Community Centre. This new group has developed in to a key community resource providing a social event in the calendar of many local elderly residents. Signposting has been provided to the other services in the centre and the wider community.

Customer Survey

In the winter of 2019, we carried out our annual staff survey. It was moved from its traditional position to later in the year.

All of the key measures had improved collectively and across the majority of sites. We are pleased to share that 'Overall Satisfaction' rose to 8.46 from 7.98 last time.

During August 2019, Leisure-net conducted a survey of non-users to give us a better understanding of their current habits and motivations.

In the areas that we are targeting the securing investment, 32% of people surveyed said they would consider using an Everybody facility and 33% said the driver to join would be 'better equipment/ facilities' and 'improved facilities'.

Develop our People to be the Best

Apprenticeship programme – Cohort 5

We have continued to develop the apprenticeship scheme, adding value to personal development aspects of their progress through the scheme. We have also changed the Academy staffing structure to enable our new role of Learning & Development Lead to have a clear focus on the apprenticeship programme.

A further three have now progressed to permanent roles with us, taking the total to ten, and a further five are due to graduate through the scheme within the next six months. We also have a further six apprentices who are part way through their first year with us.

2019 saw our apprenticeship team plan, organise and deliver the second Apprenticeship event, rebranded as the Holmes Chapel Village Festival. The event was open to staff and the local community and was highly successful with an increase on attendees on the previous year and most importantly creating lots of happy experiences.

At Everybody Sport and Recreation, their apprentices are extremely hardworking and dedicated, and with support from the fantastic Everybody Academy team – they continue to go from strength to strength in their careers.

Holly's story, a Level 2 Fitness Apprentice, is an amazing one. Before starting with Everybody, Holly was having a difficult time, she hadn't been in school since the age of 14, and struggled with mental health issues resulting in her spending time in a mental health institute. She found a passion for fitness, with it becoming an escape from reality and something to focus on, she claims that "fitness gave me a sense of achievement".

When she felt ready, she decided she wanted to work within the fitness industry. Holly got in contact with the Volunteer Programme at Everybody and was signposted to their Apprentice Scheme. With no qualifications, Holly didn't think she was in with a chance of being offered one but applied 'just in case'. She impressed staff at Everybody and was offered an apprenticeship.

Starting her apprenticeship was what Holly cited as the reason she came out of her shell and increased her confidence. The Everybody team supported her in her development and allowed her to work within different sectors of the leisure industry (including lifeguarding, reception work and more). Through workshops she

also learnt about other elements of the business and understood the different job opportunities available.

She began delivering fitness classes and creating programmes for members and decided personal training was where she wanted to be. Holly was determined and fast tracked her apprenticeship. In January, she will be a fully qualified personal trainer, with a growing list of eager clients waiting to work with her. Holly has been recognised for her hard work and dedication and has won numerous awards, including the Special Apprentice Recognition at the South Cheshire Chamber Awards, where her manager Jade Stone said *"Holly is a real asset to our company and her passion and drive is a real inspiration to other employees. She is a great role model for new apprentices and staff joining the company as she always does her best to support everyone around her."*

She also won the 'Learner of the Year' Award at the recent Everybody Staff Awards, where she was nominated by numerous colleagues for her hard work and dedication to Everybody.

Holly has since secured a permanent role at Everybody, working in Holmes Chapel Community Centre and Alsager Leisure Centre. Her long term aims include setting up a programme to support those suffering with mental health through exercise. When asked what she would say to someone thinking of applying for an apprenticeship with Everybody, she said "just give it a try, you learn more than just your job role. You make friends and grow as a person. I don't know where I'd be if I hadn't started with Everybody, and I am now enjoying looking to the future with the company."

Academy

This led to the introduction of a number of career frameworks, wherever possible based on industry standards, and then modified to ensure that they meet our requirements. These frameworks will form a key part in future development of employees working alongside other support mechanisms to empower managers and staff.

Staff Awards

In November 2019, we held our fourth Staff Awards to recognise team achievements, the contribution of individuals, the long service of our staff and many dedicated volunteers.

The biggest to date, held at Wilmslow Leisure Centre, was attended by over 230 people. Staff reaching key service milestones were celebrated alongside volunteers that have reached milestones in terms of the number hours served.

Long service awards

20 years: Nicola Hampton Bennett, Andy Bancroft, Mark Shepherd

30 years: Alan Broadhurst, Karen Morris, Andy Smith, Gary Foulkes

40 years: Alaister Beaton

Volunteer of the Year – Poynton Health Walk Team

Coach of the Year – Julie Brown

Innovation of the Year – Gen Caddick

Fundraiser of the Year – Richard Chadwick

Manager of the Year – Manus Twomey

Team of the year – Sandbach Leisure Centre

Learner of the Year – Holly Brough

Employee of the year – Michelle Hallam

Customer hero – Gary Webster

Special Recognition Award – Alsager Lifesaving Team

Chairman's Award – Beechmere Incident Team

Objectives in 2019-20

Last Year's Objectives	What We Achieved	What Was The Result
Deliver the CE Leisure Management Operating Contract, growing participation by a minimum of 1% pa and achieving a sustainable impact on all stated social outcomes.	Within our centres, participation increased based on the previous year up until mid-March with more attendances recorded than ever before within our Cheshire East Council leisure facilities. A decline in mid-March and subsequent closure, directly attributable to the COVID pandemic, meant this was slightly lower than anticipated but 2019/20 was still a record year for participation in leisure.	3,524,938 across the 14 CEC sites – whilst this was 3% below the annual target – however it must be appreciated that we were forcibly closed for 11 days (3%).
In the first half of the year we completed our delivery of One You service under the initial three year contract.	All key performance indicators were achieved, often exceed, throughout the life of the contract. In total, 6,367 people completed the programme.	We were able to continue (on a reduced scale) the Be steady Be Safe programme and the Active Lives programme – these services became chargeable at the point of delivery and continued to achieve customer satisfaction rating ratings of 9.5 out of 10. With 64% of completers taking out a full membership.
Launch the new leisure and sport offer at Alderley Park	Alderley Park negotiations went well and lease for 10 years signed and agreed	Alderley Park successfully opened on target in October 2019
Oversee full refurbishment of Macclesfield Leisure Centre	Refurbishment work extended to cover changing areas, corridors, gym, studios and reception areas	Project fully complete – membership increased in year

Increase volunteer hours towards the 40,000 target by 2020	We reached our longstanding 40,000 hours milestone in November 2019.	Over the past year 185 volunteers contributed their own time to support us to help people to live a healthy and lifestyle throughout the last year. Collectively they contributed over 6,770 hours across a variety of opportunities.
Oversee the works, and assist with the programming of the build for the £5million brand new Alsager Sports Hub Manage and Leisure Centre investment in Alsager.	Leisure Centre work completed on time with a huge launch event which resulted in the recruitment of an additional 190 members in one day.	Sports Hub build completed and management of the site is embedded within the Leisure Centre staffing rotas.

Trustees

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

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

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

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

The executive management team comprises:

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

Governance

Governing Document

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

Trustee Induction and Training

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

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

Board and Sub Committees

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

Statement of Trustees Roles & Responsibilities

The trustees (who are also directors of Everybody Sport & Recreation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law

requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

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

Public Benefit

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

Reserves Policy Statement

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

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

Prior to the COVID pandemic the Trustees had reviewed the Trust's reserve policy and have concluded to aim to hold enough free reserves to ensure that the Trust is able to continue all operations and services for a short period should a significant part of our income not be realised. Our current unrestricted reserves at the end of year six has reduced from £486,181 to £312,173, we are now aiming that our ideal reserves position of £750,000 will be delayed until the end of year nine (2022-23).

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

Risk Management

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

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

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

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

Principal Risks	Current Controls & Mitigating Actions	Future Action Plan
Major Capital investment plans withdrawn or scaled down, results in major service disruption or unachievable targets	Capital investment complete at Crewe, Sandbach, Alsager, Macclesfield and Congleton in the pipeline.	Continue with the "Five Towns Business Case" to secure future membership growth which will continue to promote "Leisure for Life"
COVID - 19 Restrictions continue to disrupt member/customer confidence	Advertising results from customer confidence surveys - 4.8/5 ensure that facilities are clean and hygienic	continue current cleaning regime and following all social distancing guidelines
COVID - 19 outbreak resulting in site closure	All sites adhere to all government and governing body requirements and guidance - Safety first policy in place in every operational decision	Continue with safety first approach
Changes to Council commissioned services resulting in loss of service, reputational and financial impact	Fixing the management fee to reflect contractual commissioned services means any changes will require extensive public consultation.	Reputational consequences will be managed through Everybody's communication plans with Cheshire East Council leading on it's policy changes.

Inaccurate or inadequate financial information resulting in poor decision making	Strengthened finance team with two new staff who now work closely with sites. New financial system went live April 2017.	Improved reporting made on a more timely basis. Budget holders can "self serve" and key areas of the business are kept under close scrutiny.
Inadequate pension planning results in additional costs and recruitment issues	Current arrangements with LGPS in place, fully funded by Cheshire East Council	Three year revaluation funded by Cheshire East Council – increase of £175k per annum. Negotiations underway with Cheshire East BC for a "pass-through" agreement, similar to other Council Alternative Service Delivery Vehicles
Increased competition from fitness industry resulting in loss of memberships and income	Pricing, overall offer and quality of service protects the core business of fitness and swimming	Successful tender for the new facility at Alderley Park and investment plans for key sites maintains business base and prevents major competition locally.

Financial Review

Investment Powers, Policy and Performance

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

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

Results for the Year

Everybody Sport & Recreation's finances have shown a deficit which relates to the COVID-19 pandemic, whilst the organisation was forcibly locked down on the 20th March therefore so we lost 11 days of trading; however our customers confidence was impacted much earlier than that whereby our income and attendances began to decline in mid February.

Our overall income figure is £17,595,734 which includes £3,359,880 for Donations for the use of the Leisure Centres which remain under the ownership of Cheshire East Borough Council and Holmes Chapel Parish Council. In addition, £1,953,700 refers to income received from Cheshire East Borough Council under our Operating Agreement, £11,527,759 income was received during the year from customers to our centres and through delivering our contracts, £868,182 trading income was received from our social areas and our investment income was £8,942.

The Unrestricted activities for 2019-20 show a total income of £17,595,734. Outgoing resources totalled £18,938,451 for the year, leaving us with a Net Unrestricted Expenditure of £1,342,717 for our sixth year of operation. This Expenditure involves a notional pension service cost of £1,149,000, when this is removed, we are left with a net operating unrestricted deficit of £193,717, which is a disappointing position but is entirely due to the COVID pandemic. Prior to the pandemic we were predicting an operating surplus position of £33,000.

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

The total Unrestricted Funds as at the end of 2019-20 are £312,173 excluding our designated funds, which equate to £285,917 (as detailed in Note 16).

Funding Sources

Everybody Sport & Recreation's principal funding sources for 2019-20 were membership fees, swimming lesson income, general swimming, class fees and sports hall hire.

A significant proportion of our additional income came from our contract with Cheshire East Council; this contract refers to the operating of 14 leisure centres across the Cheshire East area until 2029. During 2019-20 this accounted for £1,953,700 including support service costs.

Everybody Sport & Recreation Annual Report and financial statements for the year ended 31 March 2020 have been prepared by the trustees in accordance with the Charities Act 2011.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" issued in 2015 and updated in 2018, in preparing the annual report and financial statements of the charity.

Key Management Personnel

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

Fundraising Activities

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

Related Parties, Partnership Working and Network

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

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

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

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

Strategic report

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

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

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

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

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

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

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

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

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

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

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

Secondly as a whole organisation we have a monthly staff newsletter that is provided to every employee and all employees are encouraged to suggest content, we also

hold six-monthly staff presentations to which all employees are invited and involves presentations by the chief executive and Senior Management Teams followed by an open Question and Answer session to which all staff are encouraged to contribute.

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

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

The Directors at this time can confirm:

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

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

Andrew Kolker - Chair, Date: 8th December 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERYBODY SPORT & RECREATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020 (REGISTRATION No 08685939)

Opinion

We have audited the financial statements of Everybody Sport and Recreation Limited for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, 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.

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

Use of our report

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

[This report has not yet been signed]

Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon

Mount Street

Manchester

M2 5NT

[Date]

Statement of Financial Activities period ended 31 March 2020

	Notes	Unrestricted Funds	Restricted Funds	2019-20	2018-19
		£	£	£	£
<u>Income:</u>					
Donations and Legacies	2	3,359,880	-	3,359,880	2,497,819
Charitable Activities	3	10,659,577	-	10,659,577	10,227,740
Other Trading Activities	4	868,182	-	868,182	814,690
Investment Income		8,942	-	8,942	6,874
Grants & Contracts	5	2,699,153	-	2,699,153	2,922,366
Total Income		17,595,734	-	17,595,734	16,469,489
<u>Expenditure on</u>					
<u>Charitable Activities</u>					
Other Trading Activities	6	812,230	-	812,230	723,331
Charitable Activities	7	18,126,221	-	18,126,221	16,294,046
Net Gains/(Losses) on investments		-	-	-	-
Total Expenditure		18,938,451	-	18,938,451	17,017,377
Net Income (Expenditure)		(1,342,717)	-	(1,342,717)	(547,888)
Transfers Between Funds		-	-	-	-
Other Recognised Gains / (Losses)		-	-	-	-
Actuarial Gains / (Losses) on Defined Benefit Pension Schemes		1,259,000	-	1,259,000	(1,127,000)
Net Movement		(83,717)	-	(83,717)	(1,674,888)
Total Funds Brought Forward		(6,375,193)	-	(6,375,193)	(4,700,305)
Total Funds Carried Forward		(6,458,910)	-	(6,458,910)	(6,375,193)

Balance Sheet as at 31 March 2020

	Note	31 Mar 20 £	31 Mar 19 £
Fixed Assets:			
Intangible Fixed Assets	11	16,200	40,681
Tangible Fixed Assets	12	2,287,980	1,856,551
<i>Total Fixed Assets</i>		2,304,180	1,897,232
Current Assets:			
Stocks		98,459	60,491
Debtors	13	607,657	617,581
Cash at bank and in hand		1,152,999	1,665,280
<i>Total Current Assets</i>		1,859,115	2,343,352
Liabilities:			
Creditors: amounts due within one year	14	(2,127,466)	(2,140,617)
Net Current Assets/(Liabilities)		(268,351)	202,735
Total Assets Less Current Liabilities		2,035,829	2,099,967
Creditors: amounts falling due after one year	15	(1,437,739)	(1,308,160)
Net Asset or Liabilities excluding pension Asset or Liability		598,090	791,807
Defined Benefit Pension Scheme Asset or Liability		(7,057,000)	(7,167,000)
Total Net Assets or Liabilities		(6,458,910)	(6,375,193)
Funds of the Charity:			
Unrestricted Funds		312,173	486,181
Unrestricted Designated Funds		285,917	305,626
Pension Reserve		(7,057,000)	(7,167,000)
Total Funds		(6,458,910)	(6,375,193)

These Financial Statements were approved and authorised for issue by the Board on 8th December 2020 and signed on their behalf by Andrew Kolker.

Cash flow Statement as at 31 March 2020

	01 April 2019 – 31 March 2020 £	01 April 2018 – 31 March 2019 £	Table
Cash Flows from operating activities			
Net cash (outflow)/inflow from operating activities	(29,977)	632,959	1
Cash Flows from investing activities			
Capital Expenditure	(408,046)	(286,586)	
Interest Income	8,942	6,874	
Cash Flows from financing activities			
Loan Received	-	440,000	
Loan Repayment	(83,200)	(64,000)	
Increase/(Decrease) in cash in period	(512,281)	729,247	
Cash & Cash equivalents at the beginning of the reporting period	1,665,280	936,033	
Cash & Cash equivalents at the end of the reporting period	1,152,999	1,665,280	2

Table 1

	01 April 2019 - 31 March 2020 £	01 April 2018 - 31 March 2019 £
Net movement in funds for the reporting period (as per the statement of financial activities)	(1,342,717)	(547,888)
Adjustments for:		
Pension Service Cost	1,149,000	760,000
Depreciation charges	188,577	140,025
Interest Income	(8,942)	(6,874)
(Increase)/decrease in stocks	(37,968)	5,806
(Increase)/decrease in debtors	9,924	(164,279)
Increase/(decrease) in creditors	12,149	446,169
Net cash provided by (used in) operating activities	(29,977)	632,959

Table 2

	01 April 2019 - 31 March 2020 £	01 April 2018 - 31 March 2019 £
Cash in hand	1,152,999	1,665,280
Total cash & cash equivalents	1,152,999	1,665,280

Statement of Net Debt

	As at 01 April 2019 £	Cash Flows £	New Finance Leases £	Other Non Cash Changes £	At 31 March 2020 £
Cash	1,665,280	(512,281)	-	-	1,152,999
Cash equivalents	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-
		(512,281)			
Loans falling due within one year	(116,800)	16,000	-	-	(100,800)
Loans falling due after more than one year	(547,200)	67,200	-	-	(480,000)
Finance lease obligations	(978,758)	217,798	(460,945)	(55,668)	(1,166,237)
Total	22,522	(211,283)	(460,945)	(55,668)	(594,038)

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

1.01 Basis of Preparation

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

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

1.02 Going Concern

The Trustees have considered the financial position of the Trust, the levels of free reserves and the 2020-21 budget; as a consequence, the Trustees believe that the charity is well-placed to manage its business risks successfully.

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

Our turnover continues to grow year on year, along with our membership numbers. Our reputation as a trusted delivery partner is stronger than ever before, demonstrated by new commissioning partners both nationally and regionally. Our Cashflow position has seen an annual decrease of £512,281 from March 2019 which is primarily due to capital items purchased during the year at a cost of £408,046. In anticipation of another positive year, an original budget surplus for 2020-21 of £34,575 was planned.

On 20th March 2020, under instruction from the Government and in agreement with Cheshire East Council, all of Everybody's leisure sites were closed with immediate effect for public usage in an attempt to limit exposure to the COVID-19 pandemic which was causing a serious concern for health across both the whole country and the entire world. Subsequently, Everybody leisure sites started to reopen during July

and August in line with Government guidance which has meant significant under-utilisation at sites. However, during the period of site closures, an online offering of live exercise classes were created, with historical access also being retained via social media. This retained a significant number of members engagement and helped to maintain both their physical and mental wellbeing.

Subsequently on 5th November 2020, once again under instruction from the Government, all of Everybody's leisure sites were closed with immediate effect for public usage in an attempt to limit exposure to the COVID-19 pandemic. The current anticipated date of reopening is 2nd December 2020.

Extra support has been received from Cheshire East Council during the first period of closure and this is anticipated to be continued during November 2020. In addition, the Government's extension to the Job Retention Scheme known and various grants based upon the rateable values of premises has proved to be invaluable.

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

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

1.03 Incoming Resources

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

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

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

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

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

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

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

1.04 Fund Accounting

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

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

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

1.05 Stock Accounting

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete items. During 2019-20, two additional sites became operational and a new range of Learn To Swim stock items were purchased for resale towards the end of March 2020. Both of these reasons contributed to the significant increase in the value of stock held as at year end.

1.06 Resources Expended

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

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

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

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

1.07 Intangible Assets and Depreciation

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

Depreciation is provided as follows:

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

1.08 Tangible Fixed Assets and Depreciation

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

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

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

1.09 Leasing

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

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

1.10 Deferred Income

Amounts held as deferred income refer to funds received in the reporting period but specifically held for use in the following financial year due to funds being restricted for use in a future period. During 2019-20, additional income totalling £199,809 was specifically identified which related to facility closures post implementation of Lockdown due to the COVID-19 pandemic.

1.11 Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an

approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

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

1.12 Creditors

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

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

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

(ii) Impairment of debtors

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

(iii) Actuarial Assumptions

Everybody Sport & Recreation has obligations to pay pension benefits to certain employees who are members of a Local Government Pension Scheme. The cost of

these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends.

(iv) Retail, Hospitality and Leisure Grant Fund

Everybody Sport & Recreation has treated receipt of the above Funds to equal the period when entitlement became due, i.e. 2020-21. These funds are therefore excluded as income from this set of Financial Statements.

1.14 Pensions

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

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

A liability is recognised in the Balance Sheet in respect of the scheme which represents the present value of the defined benefit obligation at the balance sheet date less the fair value of the scheme assets. A full valuation of the liability is calculated by an independent actuary every three years using the projected units method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have the terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are recognised in the Statement of Financial Activities in the year that they arise. Where changes to the Scheme have resulted in past service costs, these are recognised immediately in the Statement of Financial Activities.

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

Everybody Sport & Recreation is reporting an Operating Deficit prior to the Pension Service Costs (£193,717) as shown in note 1.15 below. The Service Costs and Pension Movements that we are required to show in our accounts under FRS 102 rules include changes in actuarial assumptions and other adjustments that do not impact on the operational cashflow of the charity.

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

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

1.15 Operating Surplus (Actuarial Pension Costs Removed)

	Notes	Unrestricted Funds £	Restricted Funds £	01 Apr 2019 – 31 Mar 2020 £	01 Apr 2018 – 31 Mar 2019 £
<u>Income:</u>					
Donations and Legacies	2	3,359,880	-	3,359,880	2,497,819
Charitable Activities	3	10,659,577	-	10,659,577	10,227,740
Other Trading Activities	4	868,182	-	868,182	814,690
Investment Income		8,942	-	8,942	6,874
Grants & Contracts	6	2,699,153	-	2,699,153	2,922,366
Total Income		17,595,734	-	17,595,734	16,469,489
<u>Expenditure on Charitable Activities</u>					
Other Trading Activities	6	812,230	-	812,230	723,331
Charitable Activities	7	16,977,221	-	16,977,221	15,534,046
Total Expenditure		17,789,451	-	17,789,451	16,257,377
Net Income (Expenditure)		(193,717)	-	(193,717)	212,112
Transfers Between Funds		-	-	-	-
Operating Surplus / (Deficit)		<u>(193,717)</u>	≡	<u>(193,717)</u>	<u>212,112</u>

2. Donations

	01 April 2019 – 31 March 2020 £	01 April 2018 – 31 March 2019 £
Miscellaneous	-	200
Use of Buildings Owned by Cheshire East BC	3,313,880	2,468,899
Use of Buildings Owned by Holmes Chapel Parish Council	46,000	28,720
Total Income	3,359,880	2,497,819

During 2019-20, the services of a new External Valuer were engaged by Cheshire East BC in it's capacity as Landlord. This has resulted in a fluctuation in valuations between this year and previous years. In addition, there has been an increase in the rental property yield used to calculate the above values.

3. Charitable Activities (Income)

	01 April 2019 – 31 March 2020 £	01 April 2018 – 31 March 2019 £
Operational Facilities	10,577,113	10,153,077
Partnership & Leisure Development	82,464	74,663
Total Income	10,659,577	10,227,740

4. Other Trading Activities (Income)

	01 April 2019 – 31 March 2020 £	01 April 2018 – 31 March 2019 £
Bar & Catering Income	868,182	814,690
Total Income	868,182	814,690

Bar and Catering direct activities resulted in a net financial surplus of £55,952 which is viewed as providing an enhancement to the overall experience of customers visiting our facilities. It includes vending commission and excludes all overheads.

The increased income of £53,492 from 2018-19 to 2019-20 is due to a full years trading for all facilities currently providing a catering function under the brand name Taste For Life.

5. Grants and Contracts

	01 April 2019 – 31 March 2020 £	01 April 2018 – 31 March 2019 £
CEC Management & Operational Fee's	1,853,200	1,904,500
CEC Support Services	100,500	98,500
CEC Funding from S.106 Receipt	-	116,771
Bikeability	178,019	179,310
Health	396,391	587,555
Other Sources	29,128	43,268
Government Grant – Furlough Claim	141,128	-
Total Income	2,699,153	2,929,904

6. Other Trading Activities (Expenditure)

	01 April 2019 – 31 March 2020 £	01 April 2018 – 31 March 2019 £
Staff Costs	438,267	350,056
Bar & Catering Purchase	373,963	373,275
Total Expenditure	812,230	723,331

7 Activities (Including Actuarial Pension. Charitable Costs)

	Operational Facilities £	Partnership & Leisure Dev £	01 April 2019 - 31 March 2020 £	01 April 2018 - 31 March 2019 £
Salary, NI & Pensions	7,873,873	572,523	8,446,396	8,053,642
Indirect Employee Costs	34,878	33,236	68,114	87,894
Pension Service Costs	993,442	22,427	1,015,869	662,817
Property Costs	3,446,776	-	3,446,776	2,561,786
Transport - Other	3,716	2,977	6,693	4,458
Supplies & Services	1,465,806	414,618	1,880,424	1,749,795
Financing Costs	614,817	11,046	625,863	461,076
Support & Marketing Costs				
Reallocated	2,431,716	178,054	2,609,770	2,682,630
Governance Costs Reallocated	24,515	1,801	26,316	29,948
Total 01 April 2019 - 31 March 2020	16,889,539	1,236,682	18,126,221	-
Total 01 April 2018 - 31 March 2019	14,994,709	1,299,337	-	16,294,046

8. Support and Governance Costs

	Management & Support Services £	Governance Costs £	01 April 2019 - 31 March 2020 £	01 April 2018 - 31 March 2019 £
Salary, NI & Pensions	1,285,779	-	1,285,779	1,327,555
Indirect Employee Costs	196,231	-	196,231	194,981
Pension Service Costs	133,132	-	133,132	97,183
Property Costs	190,376	-	190,376	173,422
Transport - Other	7,381	-	7,381	7,563
Supplies & Services	702,909	26,316	729,225	839,962
Financing Costs	93,962	-	93,962	71,912
Total	2,609,770	26,316	2,636,086	2,712,578

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

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

The aggregate payroll costs were:	01 April 2019 – 31 March 2020	01 April 2018 – 31 March 2019
	£	£
Salaries	8,869,433	8,509,037
Social Security Costs	661,160	566,899
Pension Costs	809,370	756,206
Total	10,339,963	9,832,142

Within the above costs, it was identified that Redundancy Payment totalling £535 were incurred, these costs are included within the SOFA heading of charitable Activities.

Included within the costs identified above which refer to 738 members of staff, the following table details the number of whose total employee benefits (excluding employer pension costs) exceeded £60,000.

Total Employee Benefits £	No. Of Employees 2020	No. of Employees 2019
60,000 - 69,999	-	3
70,000 – 79,999	3	-
80,000 – 89,999	-	-
90,000 – 99,999	-	1
100,000 – 109,999	1	-
Total	4	4

The total salary and pension costs paid to all key management totalled £444,765

Governance costs include Annual Auditor Fees totalling £15,982 for the Statutory Audit (£15,940 2018-19) and £3,200 for specialist VAT & tax advisory services (£8,025 in 2018-19)

The Charity Trustees receive no remuneration for their services. No expenses have been reimbursed by the charity to the Trustees during the year. (nil also in 2018-19)

10. Staff Numbers

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

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

2019	No.
Leisure Facilities and Leisure Development	604
Taste for Life and Health	64
Support Services and Academy	53
Total	721

11. Intangible Fixed Assets

2019-20	IT Software £	Total £
<u>Cost</u>		
Balance as of 01 April 2019	80,777	80,777
Additions	8,798	8,798
As at 31 March 2020	89,575	89,575
<u>Amortisation</u>		
As at 01 April 2019	40,095	40,095
In year charges	33,280	33,280
As at 31 March 2020	73,375	73,375
<u>Net Book Value</u>		
As at 01 April 2019	40,681	40,681
As at 31 March 2020	16,200	16,200

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

12. Tangible Fixed Assets

2019-20	Buildings inc Professional Fees £	Gym Equipment £	IT Equipment £	General Equipment £	Total £
<u>Cost:</u>					
Balance as of 01 April 2019	669,917	294,569	59,746	192,457	1,216,689
Balance as of 01 April 2019 (Finance Lease)	-	1,014,368	114,891	64,482	1,193,741
Additions	-	30,059	16,998	352,191	399,248
Additions (Finance Leases)	-	460,945	-	-	460,945
As at 31 March 2020	669,917	1,799,941	191,635	609,130	3,270,623
<u>Depreciation:</u>					
As at 01 April 2019	90,744	133,269	26,192	88,691	338,896
As at 01 April 2019 (Finance Lease)	-	170,998	28,173	15,812	214,983
Charge for the Year	27,913	42,901	13,658	70,825	155,297
Charge for the Year (Finance Leases)	-	238,890	22,147	12,430	273,467
As at 31 March 2020	118,657	586,058	90,170	187,758	982,643
<u>Net Book Value</u>					
As at 01 April 2019	579,173	1,004,670	120,272	152,436	1,856,551
As at 31 March 2020	551,260	1,213,883	101,465	421,372	2,287,980

12A. Finance Leases

2019-20	£ Gym Equipment	£ IT Equipment	£ General Equipment	£ Total
<u>Cost:</u>				
Balance as of 01 April 2019	1,014,368	114,891	64,482	1,193,741
Additions	460,945	-	-	460,945
As at 31 March 2020	1,475,313	114,891	64,482	1,654,686
<u>Depreciation:</u>				
Balance as of 01 April 2019	170,998	28,173	15,812	214,983
Charge for the Year	238,890	22,147	12,430	273,467
As at 31 March 2020	409,888	50,320	28,242	488,450
<u>Net Book Value</u>				
As at 01 April 2019	843,370	86,718	48,670	978,758
As at 31 March 2020	1,065,425	64,571	36,240	1,166,236

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

13. Debtors

	31 March 2020	31 March 2019
	£	£
Trade Debtors	395,094	255,225
Prepayments and Accrued Income	212,653	362,356
As at 31 March 2020	607,657	617,581

£234 of Bad Debt has been written off through the Statement of Financial Activity.

14. Creditors: Amounts Falling Due Within One Year

	31 March 2020	31 March 2019
	£	£
Trade Creditors	329,345	240,282
Accruals and Deferred Income	936,427	1,192,820
Taxation and Social Security	389,736	291,181
Loans	100,800	116,800
Finance Leases	208,498	217,798
Other Creditors	162,660	81,736
As at 31st March 2020	2,127,466	2,140,617

Analysis of Deferred Income Movement

Deferred Income	Brought Forward 2019	Total In Year Deferral	Total In Year Deferral Released	Carried Forward 2020
	£	£	£	£
- Annual Memberships	326,122	807,962	(712,764)	421,320
- Facility Bookings	12,072	5,218	(12,072)	5,218
- Learn To Swim Scheme	28,579	-	(12,674)	15,905
- Memberships Income received in March	59,214	210,146	-	269,360
- Various other Projects	65,919	-	(65,919)	-
Total Funds	491,906	1,023,326	(803,429)	711,803

15. Creditors: Amounts Falling Due After One Year

	31 March 2020	31 March 2019
	£	£
Principal Repayments Repayable Between 1 to 5 Years	480,000	441,600
Principal Repayments Repayable After 5 Years	-	105,600
Principal Finance Lease Repayable Between 1 to 5 Years	957,739	760,960
Total	1,437,739	1,308,160

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

16. Analysis of Charitable Funds

Fund	Brought Forward 2019	Incoming Resources	Outgoing Resources	Gains / (Losses)	Transfers In / (Out)	Carried Forward 2020
	£	£	£	£	£	£
Unrestricted	486,181	18,869,800	(19,063,517)	-	19,709	312,173
Pension Reserve	(7,167,000)	-	(1,149,000)	1,259,000	-	(7,057,000)
Designated Funds						
- Staff Membership Scheme	60,613	-	-	-	15,683	76,296
- Training Academy	5,100	-	-	-	-	5,100
- Signage	6,000	-	-	-	(6,000)	-
- Knutsford Attic	4,800	-	-	-	(4,800)	-
- Systems Upgrade	70,720	-	-	-	(23,573)	47,147
- Capital Contributions Received	21,393	-	-	-	(1,019)	20,374
- Community Projects	137,000	-	-	-	-	137,000
Total Designated Funds	305,626	-	-	-	(19,709)	285,917
Total Funds	(6,375,193)	18,869,800	(20,212,517)	1,259,000	-	(6,458,910)

Fund	Brought Forward 2018 £	Incoming Resources £	Outgoing Resources £	Gains / (Losses) £	Transfers In / (Out) £	Carried Forward 2019 £
Unrestricted	365,755	16,469,489	(16,257,377)	-	(91,686)	486,181
Pension Reserve	(5,280,000)	-	(760,000)	(1,127,000)	-	(7,167,000)
Designated Funds						
- Staff Membership Scheme	46,449	-	-	-	14,164	60,613
- Depreciation Reserve	18,517	-	-	-	(18,517)	-
- Training Academy	9,100	-	-	-	(4,000)	5,100
- Signage	12,000	-	-	-	(6,000)	6,000
- Knutsford Attic	9,600	-	-	-	(4,800)	4,800
- Systems Upgrade	94,293	-	-	-	(23,573)	70,720
- Everybody Foundation	1,569	-	-	-	(1,569)	-
- Capital Contributions Received	22,412	-	-	-	(1,019)	21,393
- Community Projects	-	-	-	-	137,000	137,000
Total Designated Funds	213,940	-	-	-	91,686	305,626
Total Funds	(4,700,305)	16,469,489	(17,017,377)	(1,127,000)	-	(6,375,193)

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

Analysis of Net Assets between Funds	Unrestricted Funds	Designated Funds	Total Funds 2019
	£	£	£
Intangible Fixed Assets	40,681	-	40,681
Tangible Fixed Assets	1,856,551	-	1,856,551
Current Assets	2,037,726	305,626	2,343,352
Creditors: amounts falling due within one year	(2,140,617)	-	(2,140,617)
Creditors: amounts falling due after one year	(1,308,160)	-	(1,308,160)
Pension Liability	(7,167,000)	-	(7,167,000)
Total	(6,680,819)	305,626	(6,375,193)

Staff Membership Scheme

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

Depreciation Reserve

An amount was set aside in 2014-15 to fund ongoing depreciation amounts for the new fitness Equipment at Alsager, Wilmslow Spinning Bikes and Shavington equipment over the useful life of the equipment which is a total of five years.

Training Academy

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

Signage

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

Knutsford Attic

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

Business System Upgrade

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

Capital Contribution Received

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

Community Projects

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

17. Related Party Transactions

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

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

The following is a summary of transactions with these entities:

		01 April 2019 – 31 March 2020	01 April 2018 – 31 March 2019
		£	£
Donations & Legacies	- CEC	4,587,946	2,468,899
“	“ - HCPC	46,000	28,720
Grants and Contracts	- CEC	1,953,700	2,119,771
Loan Interest and Principal Repaid	- CEC	119,183	76,192
Charitable Expenditure	- CEC	4,701,310	2,580,894
“	“ - HCPC	46,000	28,720
Everybody Foundation	-	4,884	6,278

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

In addition, the following transactions occurred during 2019-20 with organisations which are identified as being Related Parties to Trustees or Senior Managers of the Company:

- Alsager Multi Academy Trust: £18,741 income – facility hire and £10,364 expenditure relating to room hire and a shared income arrangement
- Charity Finance Group: £918 expenditure – membership and conference fees
- Hermitage Primary School: £600 income – facility hire
- The Cheshire County Football Association: £2,679 income – facility hire

Cheshire East Council have indemnified Everybody Sport & Recreation's pension liability (refer to note 1.14). This liability is currently valued at £7,057,000 as at 31 March 2020. The projected amount to be charged to the Operating Profit in the year to 31 March 2021 is expected to be £1,733,000.

	2020 £	2019 £
Amounts due to:		
Cheshire East Council – Various	55,737	188,328
Cheshire East Council – Loan Principal	580,800	664,000
Cheshire East Council – Interest Within One Year	23,727	30,600
Amounts due from:		
Cheshire East Council	10,506	12,500
Holmes Chapel Parish Council	42	-

18. Defined Benefit Pension Scheme

The charity operates a defined benefit scheme which is open to all employees. The scheme is part of the LGPS and "Everybody" has its own assets held within the wider fund. An actuarial evaluation was carried out as at 31 March 2019 using the following assumptions: The fund is administered by independent trustees who are responsible for ensuring it is funded to meet current and future obligations, the agreed contribution rates for future years are 19.3% for employers and between 5.5% and 10.5%, depending on pay for employees.

Pension Commitments

	2020	2019
Rate of increase in salaries	2.50%	2.70%
Rate of increase in pensions payment	1.80%	2.40%
Discount rate	2.30%	2.50%
Commutation of Pensions to Lump Sums		
Pre April 2008 service	50%	50%
Post April 2008 service	75%	75%
Assumptions include an allowance that there will be future improvements in mortality rates		
Mortality assumptions		
Life expectancy at 65		
Retiring today		
- Male	21.2 years	22.3 years
- Female	23.6 years	24.5 years
Retiring in the future		
- Male	21.9 years	23.9 years
- Female	25.0 years	26.5 years

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

	2020	2019
	£	£
Equities	9,730,290	10,382,960
Bonds	6,486,860	6,303,940
Property	1,717,110	1,668,690
Cash	1,144,740	185,410
Total Market Value of Assets	19,079,000	18,541,000

The actual return on Scheme Assets was £13,000 (£1,385,000 in 2018-19).

	2020 £	2019 £
Amounts Recognised in the Statement of Financial Activities		
Employer Contribution	(684,000)	(691,000)
Past Service Cost	-	-
Current Service Cost	1,644,000	1,300,000
Expected Return On Pension Scheme Assets	(471,000)	(452,000)
Interest On Pension Liabilities	660,000	603,000
Total	1,149,000	760,000
Actual Return On Scheme Assets	13,000	1,385,000
Movements in the Present Value of the Defined Benefit Obligation were as follows:		
Opening Defined Benefit Obligation	25,708,000	21,652,000
Contributions By Employees	230,000	228,000
Actuarial Losses / (Gains)	(1,717,000)	2,060,000
Benefits Paid	(389,000)	(135,000)
Interest Cost	660,000	603,000
Current Service Cost	1,447,000	1,300,000
Past Service Cost	197,000	-
Closing Defined Benefit Obligation	26,136,000	25,708,000

	2020 £	2019 £
Movements In The Fair Value of Everybody's Share of Scheme Assets:		
Opening Fair Value of Scheme Assets	18,541,000	16,372,000
Interest Income	471,000	452,000
Actuarial Gains and (Losses)	(458,000)	933,000
Contributions By Employer	684,000	691,000
Contributions By Employee	230,000	228,000
Benefits Paid	(389,000)	(135,000)
Closing Fair Value of Scheme Assets	19,079,000	18,541,000

The pension scheme has a deficit; this is being addressed through a re-evaluation of employers contribution at each triannual review. The deficit has decreased in year from £7.2m to £7.1m. The scheme was fully funded at transfer, valued on an 'ongoing' basis. The scheme is valued in different ways by the actuary for different purposes:

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

The contribution for the year ended 31 March 2021 is expected to be £643,000

19. Operating Leases

Annual Total	Within the First Year	Within the Second to Fifth Years Inclusive	Over Five Years
	£	£	£
01 Apr 2019 – 31 Mar 2020	172,668	16,684	-
01 Apr 2018 – 31 Mar 2019	194,029	183,083	-

Operating lease payments recognised as an expense totalled £190,924 (£194,221 in 2018-19).

20. Finance Leases

Annual Total	Within the First Year	Within the Second to Fifth Years Inclusive	Over Five Years
	£	£	£
01 Apr 2018 – 31 Mar 2019			
Gross Lease Payments Due	217,798	764,584	-
Less Interest Charge	(27,866)	(56,229)	-
Net Lease Charges Due	189,932	708,355	-
01 Apr 2019 – 31 Mar 2020			
Gross Lease Payments Due	237,074	1,001,035	-
Less Interest Charge	(28,575)	(70,413)	-
Net Lease Charges Due	208,498	930,622	-

The total value of Finance Leases recognised in the Balance Sheet is £1,166,237

21. Financial Instruments

	2020 £	2019 £
Financial Assets that are Debt Instruments Measured at Amortised Cost:		
Trade debtors	395,094	255,225
Accrued Income	212,563	362,356
Total	607,657	617,581
Financial Liabilities Measured at Amortised Cost:		
Trade creditors	329,345	240,282
Loans	580,800	664,000
Finance Leases	1,166,237	978,758
Accruals	224,624	652,132
Other creditors	162,660	81,735
Total	2,463,666	2,616,907
Cash and Term Deposits Total	1,152,999	1,665,280