

# Everybody Sport & Recreation

## Trustees' Report and Financial Statements

Period Ended **31<sup>st</sup> March 2018**

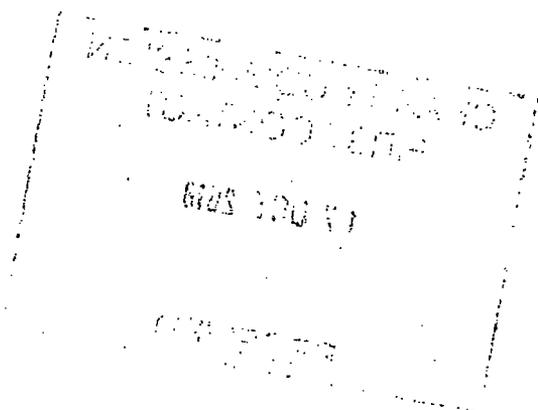


Company Registration No: 08685939

Charity Registration No: **1156084**

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## Trustees, Directors, Principal Officers & Advisors

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

Company No. 08685939 Charity No: 1156084

### Trustees

The trustees presently serving are:

Andrew Kolker (Chair)	Martin Hardy
Philip Bland	Colin Chaytors
Zoe Davidson	Richard Middlebrook
Helen Gowin	Christine Gibbons (Resigned 01.06.18)
Harry Korkou	Steven Percy
Alex Taylor (Appointed 01.06.18)	Kimiyo Rickett (Appointed 10.04.18)

### Auditors

Crowe U.K. LLP, 3<sup>rd</sup> 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
Paul Winrow	Executive Director
Kerry Shea	Executive Director
Thomas Barton	Executive Director

**Registered Office:** 3<sup>rd</sup> Floor, 1 Ashley Road, Altrincham, WA14 2DT

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

## Chief Executive's Report

Welcome to our Annual Performance Report for 2017-18, reflecting back on all our achievements and successes over another record-breaking year for Everybody.

Our purpose is to provide 'Leisure for Life' – helping local people to participate in sport & recreation so that they can enjoy a long and healthy life. For that reason I am delighted that we have seen a remarkable increase in the number and frequency of residents using our centres and services.

During 2017-18 overall participation has grown by over 397,000 extra visits representing an increase of almost 13% since last year. Our customers are certainly getting more active, more often which is great to see.

Crucially, whilst this rise is across all age groups and all abilities, our u16's make up almost half of this figure thanks to the introduction of our 'teen gym' and 'bolt-on' family memberships.

With local children and young people getting more involved in sport and recreation and becoming increasingly active, we believe this will become an enduring habit throughout their lifetime helping them stay healthy and achieve more than ever in the years to come.



We have all seen the child obesity epidemic headlines nationally and the 'ticking time-bomb' of poor health often reported in the press. Here in Cheshire East, the Council and Everybody are doing what we can to help them get active, stay active and prevent those health problems from emerging later in life.

As a result of the previous years continued capital investment in facilities and equipment, we have seen our memberships grow from 14,872 at the start of the year to 17,938 in March 2018.

In September 2017, we opened the doors to our new 55 station gym in Sandbach following our £500,000 joint investment with Cheshire East Borough Council. For the first time, disabled customers can now access their local gym and make use of the new 'Inclusive Fitness' equipment available on the ground floor.

This year has been our first full year of delivering the Council's 'One You' Public Health contract. These innovative services, designed to help inactive residents and people with existing health issues, are making a real impact on their lives and reducing health inequality across the borough.

With over 5,000 referrals to physical activity, healthy eating and falls prevention sessions, we have seen a dramatic improvement in the lives and lifestyles of these customers. The following pages will give you just some of the real-life, personal stories of those who have taken part in these programmes and realised the benefits of getting more active, with just a little bit of help from others.

Our volunteering programme continues to thrive in 2017-18 with almost 7,000 hours freely given back to their communities by our volunteers. I would especially like to thank them for the precious gifts of their time and expertise simply to help others get involved in a wide-range of sporting, leisure and recreational activities.

The 'Bikeability' Scheme, funded by the Department of Transport, has trained 6,774 children to cycle safely on our roads and estates. This represents an increase of almost 2,000 more places than our original funded target this year.

Our cohort of "Talented Athletes" has grown from 81 in 2016-17 to 130 this year. We are proud to support these athletes, across a diverse range of sports, as they develop their potential at regional, national and sometimes international levels.

The Everybody Foundation was established, as an independent Charitable Incorporated Organisation, in 2018 by Everybody Sport and Recreation. The Foundation made its first grant awards to local residents and groups in February 2018 with over £2,500 given to help them achieve their aims and ambitions. We will continue to fundraise and award more grants this year and support those who just need that little bit of financial support to achieve great things.

Our swimming pools are busier than ever and our "Learn to Swim Scheme" continues to excel, teaching over 8,000 people, giving them enjoyment and a vital life skill.

Financially, we continue to make savings, keeping all our centres open and offering an improved service year on year. In year we have achieved an operating surplus, before pension adjustments (Note 1.15), of £74,217 and this money will be reinvested in accordance with our charitable aims back into our facilities and services.

The latest Customer Survey, undertaken in February 2018, gave us a satisfaction score of 8/10, with staff friendliness and expertise scoring even higher at 9/10. This survey tells us exactly where we need to invest and, with our partners, there are plans already in place for a further £21M during 2018-19 and beyond. We hope that these improvements will improve our satisfaction score next year.

Our Everybody Awards 2017, held last October, was a fantastic night with over 140 nominees across 37 different sports being recognised for their achievements in 10

separate award categories. Sharon Davies was our guest speaker, inspiring us all with her personal story of Commonwealth and Olympic success. It was a night to remember for everyone involved and Sharon will be joining us again this year to host the entire evening.

This introduction cannot hope to do justice to everything that we have achieved with our communities, clubs and partners. I hope you will read on and see for yourselves over the next few chapters, the individual stories and case studies of remarkable people doing extraordinary things.

If there was ever any doubt about the power of sport & recreation to change lives, build confidence and self-esteem, improve personal wellbeing and boost attainment in education and at work, these pages are proof of what can be achieved.

Finally, I would like to thank all our staff and our Board of Trustees for their support, dedication and enthusiasm throughout the year. Everyone has played their part in delivering this performance throughout the year. 2017-18 has been our best year yet and with a scheduled £21M investment still to come, combined with our future ambition and development plans, 2018 and beyond look very exciting too!

Best wishes

**Peter Hartwell**

**Chief Executive**

**30th April 2018**

## Trustees' Annual Report & Strategic Report

### Who We Are....

Everybody Sport & Recreation is a company limited by guarantee and a registered charity, formed in March 2014 from the transfer of the leisure services portfolio of Cheshire East Council. We are an independent not for profit organisation and reinvest all surpluses back into the services we provide.

Everything we do will seek to support our charitable objects, as set out in our Articles of Association and demonstrate a public benefit. Our objects are;

***"the provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare such facilities being provided to the public at large save that special facilities may be provided to persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services"*** and;

***"the promotion and preservation of good health including but not limited to through community participation in healthy recreation"***

Everybody is responsible for the day to day management of a range of facilities and leisure development activity through the staff and executive management team. Strategic direction is provided by the independently appointed Board of Trustees in accordance with the contract and funding agreement with Cheshire East Council. The Board has ultimate responsibility for the governance of the Trust and supports and challenges the executive management team.

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.

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.

Our simple vision of providing 'Leisure for Life' seeks to make participation in any activity an enduring habit from the earliest years to later life, helping people to live well and for longer.

An essential part of establishing Everybody as an independent charity was to develop a new set of organisational values.

If we are to succeed in delivering on our mission and strategic aims, we will only do so by working with these values at the heart of all that we do.

## Our Values

### 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.



The fifteen leisure facilities managed by Everybody Sport and Recreation Trust are the main component of the Trust's wider offer to enhance the health and quality of life of the residents of Cheshire East, as well as those who work in or visit the area. With almost 3.5 million visits each year from all ages and now almost 18,000 members across the borough, the leisure centres provide programmes and activities that

contribute enormously to the social, educational and economic life of the community and to the physical and mental health & wellbeing of local people. By providing targeted initiatives in those areas of greatest need, whatever the cause, we will actively seek to reduce health inequalities across the Borough. At the same time, sport and recreation will help tackle anti-social behaviour and assist with town centre regeneration through greater participation, events and activity resulting in increased footfall in our centres.

Involvement in sport and active recreation has the potential to enable everyone to gain access to an avenue of activity and social networks which will remain with them throughout their lives. For some it will lead to performance at the highest level. Our development programme ensures that pathways and structures are in place to enable people to learn basic skills, participate in an activity of their choice, develop their competencies and reach levels of performance according to their individual aspirations and ability.

Everybody Sport & Recreation will create the right conditions so that sport, play and active recreation can flourish at all levels. Through effective partnerships we will introduce people to active recreation opportunities, teach them the necessary skills and give them the opportunity to participate and enjoy leisure at their own level - whether this is simply playing in a local park with friends, joining in at their local leisure centre or even representing their country.



## Strategic Aims

### **Improve Wellbeing Through Physical Activity & Healthy Recreation**

#### **One You Health Contract**

One You is a commissioned service by Cheshire East Council, consisting of six programmes which are delivered across Cheshire East by us, including:

- 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, Children and Family Workshops)

In 2017-18 we saw fantastic results from our customers who have made incredible changes to their health, lifestyle and wellbeing.

To raise awareness of these programmes we partnered with many organisations across Cheshire East to run four very successful health campaigns during 2017-18, including, Men's Health Week, Know Your Numbers, One You Wednesdays, and ESCAPE-Pain.

We are delighted to be working closely with our partners Cheshire East Council, NHS Eastern Cheshire CCG, NHS South Cheshire CCG, East Cheshire NHS Trust, and MCHFT Leighton Hospital.

As well as linking in with more organisations this year including, Plus Dane Housing, Cheshire West and Chester Council, Peaks & Plains, Cheshire and Wirral Partnership NHS Foundation Trust and NHS Vale Royal Clinical Commissioning Group, to raise awareness of the importance of looking after our health and wellbeing.

#### **One You Case Studies**

##### **Be Steady Be Safe :-**

Mary Dickinson who attends the Be Steady Be Safe classes in Sandbach shares;  
*"The classes are absolutely super – I had balance and strength problems and it has improved tremendously since doing these "happy" classes. It has been a very positive experience. Something else which is good is at the end of the class we get together and have tea and cakes (if we are celebrating someone's birthday) – the classes have helped me settle so well and everyone is friendly. My balance is much*

*better – I was on the verge of using a stick and now I feel more confident and don't need a stick."*

### **Re-Shape :-**

Hannah was diagnosed with Polycystic Ovarian Syndrome at the age of 17, which brought a lot of health problems and weight loss barriers, such as low mood and depression. She explains *"I had high blood pressure, anxiety, depression, sleep problems, back pain and I was overweight. The weight was creeping up and up as I ate my feelings rather than doing something about them and taking control of my diet and exercise."*

Re-shape gave Hannah the motivation and support in getting back into exercise and trying new things. Hannah lost an incredible 1 stone 8 lb on the programme, her waist measurements fell from 123 – 115cm and after her last meeting with Lifestyle Coach Chris in December 2017, Hannah's blood pressure has reduced from 148/98 to 118/84.

The biggest difference Hannah has noticed since finishing the programme in April, is her motivation to continue her programme. She has continued with her gym membership, makes healthier choices with food and now shares her story on her own weight loss account on Instagram. Hannah now has over 1600 followers on her page @hannahsjourneypcosweightloss which is inspiring others like her to lead a healthier more active lifestyle. *"My confidence, self-esteem and positivity have all increased and friends, family and colleagues keep pointing out the changes in me which is a real boost, and again keeps me motivated to keep going. I have also lost two dress sizes which makes clothes shopping a lot more fun! Since maintaining my weight loss and positivity, I have recently been able to reduce the dosage of some medication for my anxiety and low mood."*

### **Cookery Classes :-**

A selection of our customer feedback:-

*"Very good programme delivered in a very easy to understand way by knowledgeable and informative tutors. Very approachable too and delivered in a calm and relaxed manner. Nothing was too much trouble. Very enjoyable way to spend a Monday morning. To go home with a meal was a treat and very generous."*

*"I have really enjoyed the course. I have learnt how to cook basic foods and making them into a family meal and adding flavouring, such as herbs to enhance the taste. I feel more confident now to cook from scratch and have cooked some of the recipes again already. The tutors are lovely and knowledgeable and the group has been fantastic. I have learnt valuable cutting techniques which I can pass onto my*

*son and I feel more knowledgeable about healthy eating and portion sizes. Really enjoyed it. Thank you."*

*"Really enjoyed the course, found it very informative and met new people, learned how to cut food up better and cook food from scratch. I also got a better knowledge of my 5 a day and when shopping now I read the labels on the food and know about the traffic light system e.g. more greens are better."*

### **Active Lives :-**

Great results from our Active Lives member Roy who has been training with our Lifestyle Coach Kevin. Roy had a total knee replacement last year and had little range of movement in his joint; in fact Roy couldn't use our bikes at the start of his journey. Over the 12 weeks Roy has managed to improve the range of movement over 90° greatly improving his quality of life. Roy had this to say *"It was very good and got me back in to wanting to do more exercises to help me improve my quality of life"*

Paul completed our Active Lives programme and has an amazing story, Paul's brother died last year due to his lifestyle, heavy drinking and heavy smoking. Paul was very overweight, unfit and down in the dumps. In January he started to diet to lose a little weight but was still very unhealthy. In February he went to see the doctor who put him on medication for his Blood Pressure and was told he was pre-diabetic and that if he didn't change his lifestyle he was heading for a heart attack or stroke. Since starting the Active Lives programme he has gone from 103kg to 77kg, a BP of 171/91 to 121/77 and has been taken off medication now. He swims four times a week, uses the gym, walks everywhere and is generally more active. He says becoming active has given him a new lease of life, and people are asking for his secret.



### **Learn To Swim Scheme Success**

Everybody Sport & Recreation provides a large and diverse Learn to Swim programme through the Everybody SWIM brand, catering for almost 7,000 learners. These lessons follow the Swim England guidelines and best practice for teaching swimming to ensure that highest standards are delivered.

Our junior lessons start with classes for pre-school children in "Adult and Child" classes for the younger learners, progressing to our Duckling classes for children from 3 years old. Once children are 4 years or older they will then progress to our mainstream Learn to Swim Scheme which aims to develop the basic and essential skills required for building confidence and technique in the water.

During this financial year we have seen a significant growth in participation in our Learn To Swim Scheme, with the total live members across our sites rising from 6,939 to 7,771 in 2017-18. Our complimentary swimming offer also reflects an increase in participation of around 2% from 385,307 to 393,210, which is a huge success when considering the decline in swimming attendance across the national picture.

Moving forward we plan to grow and develop the provision of swimming lessons even further, so that we can minimise the waiting time for all learners, providing everybody with the opportunity to improve their swimming skills no matter what their age or ability.

### **Volunteering Stories**

Tom Paterson Reaches 100 Hours Of Volunteering - Tom Paterson, 26 from Wilmslow volunteers as a Walking Football Coach and has recently secured his dream job as a Wellness and Fitness Advisor, he said "Volunteering with Everybody has been life-changing for me as not only has it given me the confidence and experience to go out and get a job, but it is also great fun and I have made new friends in the process."

*"I'm always learning and growing in confidence which I had greatly lacked in the past. I didn't have the opportunity to learn to swim until I was a teenager so to support the Everybody Swim Scheme and help give young children the chance to learn this life saving skill is incredibly rewarding. I would highly recommend volunteering with Everybody Leisure if you want a career in the fitness industry, improve self-confidence, have fun and meet new people you otherwise wouldn't have."*

Tom is now looking to do his Level 1 Swim Teaching Award with the support of the Everybody Academy & Volunteer Programme and has achieved a fantastic 100 hours!

Abi Painter achieves 250 hours - Abi Painter from Crewe volunteers at Active 8 Hub in Shavington, working with children with disabilities. She has just achieved 250 volunteer hours! *"I volunteer because it can give you a whole range of different opportunities. I get to work with people with various abilities which comes as a reward because you know you have helped someone try new activities and have fun. That's why I love what I do!"*

Mike and Kath Lead Health Walks in Crewe and Nantwich - Mike and Kath Povall lead our Health Walks from Crewe and Nantwich week in week out and they have done this for 17 years.

In May 2018 both Mike and Kath were presented with the Salt of the Earth award by the Mayor of Nantwich recognising them for all the work they have done within the local communities and giving their time back and making physical activity accessible for people in our community to participate in. Between them they have volunteered an incredible 1,422 hours!

They said, *"We volunteer because we like to help, support, encourage and engage others in physical activity and we do this by leading the weekly Health Walks. We get to work with a range of different people and we feel this is very rewarding"*

Sharon Burrows supports our Active 8 adults sessions in Crewe, she shares, *"I love my Volunteer role with Everybody. It's a way of giving something back to the community. When my son turns 14 he's going to sign up too!"*

### **Bikeability**

The Department for Transport (DfT) awarded Cheshire East Council with a grant of £590k for Bikeability cycle training until 2020 and Everybody Sport and Recreation continues to deliver the programme on behalf of the Council due to the success of the scheme over the last three years.

Bikeability is cycle training which gives the next generation the skills and confidence to ride their bikes on today's roads. During 2017-18 we delivered Bikeability to 6775 participants with a total of 130 schools taking part. We had 5848 children pass level 1 to 3.

We also now deliver Bikeability for Adults in Crewe, Congleton and Macclesfield which includes commuter confidence and Learn to Ride training.

### **Family Focus**

Family Focus is a commissioned service, supporting targeted individuals and families to lead a healthier lifestyle. Families receive access to regular physical activities, advice on a healthy diet and support with losing weight.

In year 1 we welcomed 133 Referrals, 58 Adults and 75 Children. The results were 82% Improved Diet, 50% Adults Lost Weight, 53% Increased Activity Level and 73% Improved Mental Wellbeing.

Individuals are able to access any Everybody leisure facility free of charge for 8 weeks and receive weekly support through one of our qualified Health Trainers. On completion of the 8 week programme, families will be offered a reduced membership for 12 months to continue their good work.

One of our member's main goals was to become more physically active and to improve her mental wellbeing. In her initial assessment the physical activity score was deemed as "low" and she had a mental wellbeing score of 13. Following completion of the programme, her new physical activity score was deemed as "high", visiting the centre several times per week on her own as well as with her Health Trainer. Her mental wellbeing score increased to 26, with mainly positive answers to the wellbeing questions. A significant positive outcome to her engagement in the programme is that she has stopped taking her medication for her mental wellbeing.

When asked how the programme has helped her, she now has increased energy and feels more useful.

Another family arrived at Macclesfield Leisure Centre and met with the Health Trainer, Denise. During the consultation Mum was very clear and stated she was 75% of not wanting to be here and 25 % wanting to do the course, Mum had low self-esteem and motivation. During the consultation the Health Trainer worked with Mum and because of a positive intervention, where she felt the Health Trainer believed in her, she decided to try the course.

During the 8 week programme Mum agreed to meet with Denise at different touch points to check in how she and the family were doing and to introduce new activities. Since going on the programme the whole family has got more active and says home life is so much happier. Mum has achieved some great outcomes as a result of being more active and has now lost 13 pounds and uses the facilities on a regular basis.

### **Learn To Swim Scheme Growth**

Everybody Sport & Recreation provides a large and diverse Learn to Swim programme through the Everybody SWIM brand, catering for almost 7,800 learners in 2017-18.

Our lessons follow the Swim England guidelines and best practice for teaching swimming to ensure that highest standards are delivered. As testament to our development Everybody SWIM was nominated in two categories in the Swim England's national awards, recognising the improving customer experience, visibility and swim product innovation to help more people learn to swim. Our very own Judith Goodwin won the highly acclaimed 'Teacher of the Year' to the delight of the staff across Everybody and especially her peers at Macclesfield Leisure Centre. We were shortlisted in the 'Swim England Facility Operator of the Year (up to 11 wet sites)' category, our Everybody SWIM brand fought off tough established opposition to gain second place at this prestigious national award ceremony.

Our swim journey starts with Adult and Child classes for babies aged 6 months onwards, progressing to our Duckling classes for children from 3 years old, swimming without parents in the water. Once children are 4 years or older they will then follow the pathway into our main stream Learn to Swim Scheme, which aims to develop the basic and essential skills required for building confidence and technique in the water. On completion of the main swimming framework we encourage 'leisure for life' through Rookie lifeguard courses, competitive swimming and also general public swimming.

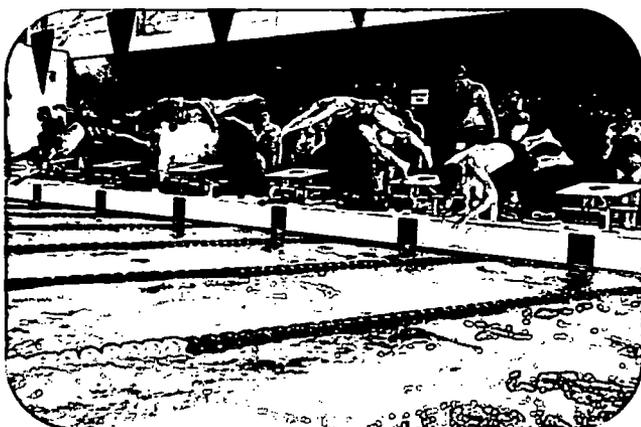
In September 2017 we introduced an Alpha swim option at Congleton, Macclesfield and Crewe. The Alpha swim is a small fun group lesson to help young people with a disability or impairment learn to swim. We upskilled our teaching staff to meet the expectations of the swimmers and the parents, to provide a lesson with extra support and understanding, we have already received some fantastic feedback, such as "this swim scheme is the best extracurricular activity that I have got my son into. I am extremely happy". These lessons have resulted in a third of the swimmers with their families swimming more regularly.

During this financial year we have again seen a significant growth in participation in our Learn to Swim Scheme, with the total number across our sites rising from 7,034 to 7,771 in 2017-18. As well as over 100 schools using are sites on a regular basis giving more children than ever the chance to learn to swim. Moving forwards we plan to grow and develop the provision of swimming lessons even further, so that we can minimise the waiting time for all learners, providing everybody with the opportunity to improve their swimming skills no matter what their age or ability.

### **Swimming Club Relationships**

Throughout 2017-18 Everybody worked tirelessly with the eleven local swimming clubs as well as lifesaving clubs and disability clubs utilising our facilities in order to establish, maintain and improve working relationships as well as improving swimming development pathways for participants.

We are proud of the achievements of all our clubs that use our facilities, especially Crewe Flyers who have made significant achievements over the last 12 months finishing 3rd in division 1 last season. The improved relationships are proving beneficial for the local and surrounding communities increasing participation in swimming in our facilities, but also helping more children leave primary education meeting the 25 metre swimming requirement.



### **Membership Growth**

In 2017-18 the Sales Team was increased from three to four Sales Advisors with the addition of a new post introduced to the Nantwich, Shavington and Barony group. The sales team not only provided additional support to front-line staff but also provided on site training and mentoring that ensured consistency within the embedded sales processes.

The newly adapted processes have improved the customer experience which is reflected in improved mystery shopper scores, new membership sales and the increased overall live membership total.

These improvements, alongside investments in refurbishment at Knutsford and Sandbach Leisure Centre have supported membership growth of a further 20% in 2017-18 with 17,938 live members (growth of 117% since transfer)

### **Disability Programmes**

Ability for All is our overarching programme for our disability and inclusion activities. The Ability for All programme provides a range of bespoke activity programmes for the under represented groups and specific medical conditions to help them have a healthy and active lifestyle to maintain their health and wellbeing. These activities are across the age spectrum from Early Years and Reception right through to those who have finished work or retired.

Between April 17 and March 18 we have delivered 188 activities and have had over 1900 attendances.

This year Everybody was successfully commissioned by Cheshire East Council to deliver Short Break activities as part of our Ability for All programme from 2017 to 2019. The programme includes a wide range of activities including some new sessions such as Inclusive Gym, multi-sport activity hubs and the Alpha Swim Scheme. The launch of the Alpha Swim Scheme has proved popular. The scheme provides a 12 week block of swim lessons for non swimmers or very limited ability and in smaller groups to support the young swimmers and their additional needs.

Feedback from parents :-

*"Exceeded expectations as my son has gone from relying on swim aids (floats) to swimming unaided lengths of the main pool."*

*"It is brilliant: I love it, he loves it, and he's more active, he's safer - it's all so good! Thank you, thank you, thank you."*

As part of our holiday programme we have teamed up with Cheshire East Ranger Service to run Outdoor Experience Days at Astbury Mere Countryside Park. These days have provided children and parents (or carers) the opportunity to cycle around the Mere using adapted bikes or try out other activities such as orienteering, archery, pond dipping and other sports activities. We've run three holiday event at Astbury during the year and each event has been very popular with the families.

Feedback from parents included:

*"Came home very happy and wanted to go again."*

*"My child, although usually eager to try new things, sometimes lacks confidence to do so; these sessions give her the confidence to go for it!."*

*"Confidence in trying new things, meeting new people, independence from parents."*

In addition to the commissioned activities we also provide regular activities to a Home Education Group. These are a group of children and young people who are not in full time education. These sessions provide the group the chance to be physically active in a group as well as the social interaction with other young people. During this year we've run 19 activity sessions and have nearly 300 attendances.



In addition to our young people's activities we also provide a range of adult activities as part of our Ability for all programme which includes our Activ8 Adults and Aqua Relax sessions.

Our Activ8 Adults sessions provide multi-sports and gym sessions to give the participants the opportunity to try new sports or activities. We also link in with day service groups from Cheyne Hall Day Service, The Acorn Centre and The Beeches (David Lewis Centre).

Aqua Relax is a pool session for people with long term medical conditions who are inactive or don't feel confident to go to the gym or a public swim session. The sessions are enjoyed by a range of people with different impairments, including people who are physically impaired, wheelchair users, stroke survivors, people with Fibromyalgia & Rheumatoid Arthritis, as well as people with Dementia.

We also deliver regular activity sessions for the Stroke Association and the IRIS Centre (a visually impaired group) helping their members to be active and maintain their health.

Members from the IRIS Centre have commented:

*"I love the archery, I never thought I'd be doing that!"*

*"It's the only exercise I get, but it's not like doing exercise"*

*"I like it when we all sit in a circle, I can hear different people in the room that I don't usually hear anything from"*

Swimming star Nathan combatted his fear of water since attending alpha swim. In October 2017, 13 year old Nathan Greenford, from Sandbach, joined Alpha Swim lessons at Crewe Lifestyle Centre. Before attending Alpha Swim lessons, Nathan had a fear of water and used to feel uneasy when near a swimming pool. Just 12 weeks on, Nathan has a love for swimming and is so committed that even when feeling poorly his family can't get him out of the pool!

Alpha Swim is a 12 week course of swimming lessons for young people with a disability. These lessons are a basic introduction to swimming which encourage children to have fun and be more relaxed in the water whilst learning basic water skills.

Since attending Alpha Swim, Nathan has learnt that swimming can be fun and his self confidence has grown immensely. He receives individual attention and has built trust with the instructors.

Nathan's mum Nikki commented;

*"Alpha swim has exceeded expectations as Nathan has advanced from relying on a float to aid him to swim, to swimming lengths of the main pool unaided with his swimming teacher Zac encouraging him at the side of the pool."* Nikki continued; *"We now come once a week outside of the Alpha Swim lessons to practise and reinforce what Nathan has been learning during his lesson. When Zac spots Nathan outside of lesson time, he always comes over to encourage him and push him to his limits."*

Now that Nathan has finished his initial course of Alpha Swim lessons, he has now signed up for a second course and looks forward to seeing the other swimmers weekly.

### **Cared For Children**

During 2017-18 our Cared for Children scheme continued to provide Leisure, Health & Fitness opportunities in Cheshire East growing to 443 memberships for eligible children, their siblings, carers and designated workers. We saw attendances of 2,907 swimming, gym and fitness class sessions from these members in comparison to 3,062 the previous year, which demonstrates the continuing benefit with this group.

### **Talented Athlete Support Scheme**

Our first Talented Athlete Training Camp took place this year, with a fantastic group of young athletes. Our Talented Athletes have again achieved great things this year, we are very proud of them.

Everybody Talented Athletes Abby Warren and Tom Warren became the British Champions this year with Abby becoming Junior Ladies 50m Champion, and Tom been crowned British junior Air Rifle Champion. Abby has been working on her core strength and fitness at Crewe Lifestyle Centre.

Sian Heslop came first in the English National Cross Country Championships, competing against 464 competitors in her race she finished with an 8 second gap between 1st and second place.

Thomas Brindley placed as 1st Youth, and 2nd Overall, in Sailing RYA North West Junior Traveller Series #3.

Everybody sport and Receptions "Young Sports Achiever" for 2016-17, Thomas Nairn qualified for the worlds to represent the GB youth in archery.

### **Rehab Sessions**

In 2017-18 we have welcomed 2405 attendances on to our Rehabilitation Exercise Classes, including, Phase IV Cardiac Rehabilitation, Move More Cancer Rehabilitation and Pulmonary Rehabilitation. At these sessions our Specialist Lifestyle Coaches are on hand to get customers back to exercise after suffering and managing long term conditions including Asthma, Chronic Obstructive Pulmonary Disease, heart disease and Cancer. Our staff are trained and qualified to help customers make positive lifestyle changes and encourage participation in exercise.

One of our regular attendees, Stephen Pennell, suffered a heart attack in January 2017 and decided to join our Cardiac Rehabilitation programme to ensure he made changes to his lifestyle, safely through exercising. Since joining the programme, Stephen's exercise levels have increased, he has joined our Aqua Fit sessions, his blood pressure has reduced, and Stephen's confidence levels have increased.

After Stephen had a heart attack he wanted to strengthen his heart and muscles but wanted to be monitored to ensure he was doing it correctly. Stephen describes that his exercise levels were 'Shocking' before joining the programme, now Stephen explains, *"My exercise levels have improved, I am getting there with my self esteem. Things like stairs are a lot easier than they used to be. I had a foot problem which is not as bad due to the weight loss and I also have a lot more energy."*

He continues *"The classes were friendly and very supportive, after having a heart attack I was worried about pushing it too far but Kevin was very experienced and supportive."*

Stephen explains, *"There was a good variety of exercises and it was also nice to meet people in similar situations as there was advice available not only from Kevin but advice from others about any aches and pains we were experiencing. For people in the same situation, I would recommend the programme because of all the support and guidance that I received. "*

This year saw our first national contract, we have been awarded National Lottery funding to deliver a new specialist rehabilitation programme, called ESCAPE- Pain. The contract has been awarded through the Health Innovation Network in conjunction with Arthritis Research UK, as part of Sport England's Active Ageing Fund. This commissioned service will allow us to deliver a funded, six week, evidenced based rehabilitation programme, ESCAPE-Pain; sometimes called the 'knee or hip class', designed to reduce pain and disability for people with chronic joint pain.

## **Grow an Ethical and Sustainable Business**

### **Investment Stories**

"In partnership with Cheshire East Council, 2018-19 will see further significant investment into a number of our existing facilities. July will see the opening of the much awaited 'Speedflex' boutique at Wilmslow Leisure Centre and by the autumn of 2018, Alsager Leisure Centre will be unveiling a new 60 station gym, multi-use exercise area, group cycling studio and two full size astroturf pitches.

Macclesfield Leisure Centre will benefit from £4m worth of investment during 2018-19. The phased improvements are expected to include a new 90 station gym, improved wetside changing rooms, spa facilities, an updated group cycling studio, upgraded squash courts and an indoor athletics track.

Work is also expected to commence on the new, improved Congleton Leisure Centre in late 2018. A leisure development partner has now been procured and planning permission will be sought for the construction of a new 25m, six lane swimming pool, learner pool, extended gym, café, soft play, various multi-use spaces and improved parking on the existing Worrall Street footprint. Construction of the new Alderley Park sports complex is expected to begin over the summer, in readiness to open in April 2019. Once complete the facility will include an 80 station gym, two large group exercise studios, a four court sports hall, tennis courts and enhanced astroturf and grass playing pitches."

### **Surplus Position & Business Growth**

2017-18 has been another successful year for Everybody Sport and Recreation and we continue to grow year on year. Our Turnover during this twelve month period has increased to £15,446,278. This turnover growth, alongside control of our expenditure, has enabled us to achieve in year operating surpluses of £74,217 before pension adjustments, exceeding our budget targets.

This growth brings our free reserves figure in our fourth year of operation to £365,756, with additional designated reserves of £213,940. These reserves continue to support us in our aim to have over £750,000 of free reserves by 2021.

### **Environmental Policy**

2017 saw the introduction of an 'Everybody Environmental Steering Group' with all centres having a representative inputting ideas into the direction of the company's future environmental commitments. In the space of just a few meetings, an Everybody Environmental policy has been discussed, agreed and implemented, alongside the centres using the platform to share best practice for Quest's (an accrediting body) environmental modules.

### **iTrent, Payroll and HR**

In July 2017, we successfully launched iTrent, our new HR and Payroll system. This enabled us to bring Payroll and transactional HR services in house, using a product built to suit our needs. During the project, we moved 835 employee records from the legacy Oracle system onto iTrent, with accurate data needed for payroll and employment.

We now run our own payroll - paying around 700 staff each month, and have managed to achieve ongoing annual savings of over £70k per annum. As part of the iTrent project, we achieved pensions auto-enrolment compliance on our deferred staging date of November 2017.

iTrent offers a much improved 'front end' service to employees, who can access and update personal details using the MyEverybody site.

Managers have a much more visibility through manager self-service. Managers can input, view and report on sickness absence and employment details for their staff.

### **Foundation Grant Awards & Stories**

The Everybody Foundation is a Charitable Incorporated Organisation (Registered Charity No. 1174873) which was established by Everybody Sport and Recreation in 2018. The Foundation raises funds to support individuals and groups to promote a healthy and active lifestyle. So far the staff at Everybody have raised money through running various events and activities such as, raffles, mince pie bake off competitions and more. The Foundation's aims are to promote a healthy and active lifestyle in Cheshire East, to improve facilities used to fulfil an active lifestyle and to assist individuals to achieve their potential.

The projects that the Foundation funds are endless and include helping a sports club to develop a new session for a hard to reach group, supporting young athletes to access specialist training facilities, or assisting a local group to purchase new equipment.

Organisations and Individuals applied in January 2018 to receive up to £500 to help deliver projects that encourage people to be active and healthy and achieve personal goals in sport. Eight were successful and have used the grants to deliver healthy eating programmes in schools, reach national and international sporting trials and purchase new sporting equipment.



## **Provide A Great Customer Experience**

### **Customer Survey Results**

The final customer satisfaction score for 2018 is at an average of 7.98. As it is slightly down on last year we examined the detail of this survey, which showed that investment in infrastructure and equipment is key to customer satisfaction.

Where we have made investment, the average is 8.48. Where we haven't, yet, the score is 7.68. Customers in these centres must regard the improvements in other towns with envious eyes and, through this survey, remind us we still have a lot to do to ensure we provide a consistent, high quality offer across all our centres.

The good news is that Congleton, Alsager and Macclesfield will get their investment this year and Alderley Park will be a welcome addition to our estate and coverage across the borough. Poynton, Knutsford and Middlewich, still need the investment boost enjoyed elsewhere.

Customers are continuing to access the website more to book with 35% of our group fitness and sport transactions now online and our website visits increasing from 748,746 visits to 858,148 over the past 12 months. As a result, we have committed to make significant improvements to our customers online experience with the launch of a brand new website in summer 2018!

### **Sandbach Gym & Spin Studio**

Sandbach Leisure Centre has recently undergone an extensive refurbishment which has allowed a brand new, two-storey, state of the art, multi functional gym to be built and a designated Spin Studio to be refurbished and kitted out with the latest range of MATRIX spin bikes.

The gym refurbishment allowed not only a membership growth of almost 600 between October 2017 and March 2018, but customers can now enjoy daily Spin classes with a variety of instructors and, those undergoing our Health Programmes can use equipment that suits their needs.

### **Taste for Life**

Taste for Life aims to deliver an excellent customer experience, offering exceptional customer service and quality, plus value for money products whilst promoting healthy eating. Our Macclesfield Café received a grateful refurbishment in July 2017 also introducing a small soft play area for the younger visitors, since the re-launch we have seen a considerable increase in trading and very positive feedback.

May 2017 saw the opening of a café in Newcastle Under Lyme's Jubilee 2 Leisure centre, in partnership with Newcastle Borough Council, this has been welcomed by the users of the centre and continues to improve in performance. Our events arm of Taste for Life also continues to grow, we have held several successful events at Macclesfield Town Hall and provided refreshments at a number of the outside areas of our own facilities to support a variety of events taking place.

We continue to look at ways of improving our sustainability and in addition to our bespoke coffee which is Fairtrade and Rainforest Alliance, our fish which is sustainably sourced MSC and the majority of our takeaway containers are biodegradable. We have now introduced paper straws in all our cafes to reduce our plastic footprint and are looking to introduce further improvements over the coming months.

### **Everybody Awards**

The Everybody Awards 2017 took place on Friday 6th October at the prestigious Wrenbury Hall; recognising exceptional achievements of sporting and community heroes in Cheshire East. Over 200 guests enjoyed the evening with more nominations than ever before, guests were given an inspiring keynote speech from Sharron Davies MBE, Silver and Gold medallist in competitive swimming.

Winners included Sports Personality of the Year Josh Betteley, who represented North England and the North West in the London Mini Marathon. After suffering a serious

brain injury he is not letting anything get in his way, Josh has inspired those around him showing great courage and determination to continue in long-distance running. Josh is seen as a true inspiration to those close to him, so much so that his school (Sandbach Boys) have introduced the 'Josh Betteley Award' for students that have shown spirit and overcome significant obstacles.

### **Everybody Junior Awards**

Following the success of the annual Everybody Awards, in 2017, Everybody Sport and Recreation held an 'Everybody Junior Awards' ceremony in December 2017 which recognised the contributions of local superstars aged 5-11 years and their families who are involved in sport, play and active recreation. Almost 100 nominations were submitted and 21 local sporting stars were shortlisted and invited to attend the event with their families.

The winners included Jacob Cliffe, a 10 year old boy who raised £2,000 for a charity close to his heart, PSC Support UK, by recruiting close to 40 of his Crewe FC team mates and taking on Tough Mudder's 'Mini Mudder' obstacle course, Mia Brooks, who at just 10 years of age, is competing in snowboarding and ranking just behind our GB winter Olympians Aimee Fuller and Lesley McKenna and Arthur Elliott who challenged himself to raise just £43 to provide clean water for a child and to pay a park ranger to look after endangered animals for 10 days and ended up raising an astonishing £500!

## **Develop Our People To Be The Best**

### **Apprentices**

The level apprenticeship scheme has been a success story since we employed our first apprentices in September 2015 but we are committed to continually improving the programme and we have recently reviewed and improved the scheme to provide more support and personal development training.

Our first cohort of 7 apprentices has now graduated from the scheme and all have permanent positions within the business. Cohort 2 are now in their second year undertaking specialist programmes in either fitness instruction or business administration and our third cohort are now more than half way through their first year in either Leisure or Business related roles.

Changes to the funding of apprenticeships and development of new apprenticeship "standards" have presented a number of challenges to us this year, and will continue to do so in 2018-19. We have been actively involved in the development of new leisure apprenticeship standards which has taken much longer

than envisioned as the government process for approvals is very slow and there has been concern regarding the lack of industry knowledge within government that has affected development of standards.

We have developed a new delivery partnership with Macclesfield College to enable us to deliver elements of the new apprenticeship standards and have already been working alongside them with a Level 3 Business Administration apprenticeship. We are aiming to deliver as much apprenticeship training as possible ourselves to ensure that they are delivered to consistently high "Everybody" standards and practices.

The Apprenticeship Levy began in April 2017 with a percentage of our monthly wage bill being paid to a government held account to fund our apprenticeship delivery. Nationally there has been a great deal of confusion regarding the levy and we believe that we are ahead of the game and built structures to ensure we are getting best value for money for this levy. The restrictions placed on what this levy can be used for does result in challenges to ensure that it does not turn into an additional tax on the business.

### **Learning & Development**

It has been a very busy 12 months with a number of challenges to delivery and business requirements throughout the year. We facilitated 233 different learning and development interactions during the year, up from 120 in 2016-17. This demonstrates that changing business requirements has resulted in us looking at a wider range of development opportunities ensuring that our core training needs are met. Despite this we have managed to increase internal delivery from 71% to 78% (excluding lifeguard ongoing training).

Lifeguard ongoing training is a core area of training for us and during 2017-18 we delivered 247 sessions at an 83% occupancy level. There were over 2,850 individual training interactions within this area this year. We continue to monitor staffing levels ensuring that we have the most effective number of sessions available at all 9 pools.

Significantly we have increased the number of individuals receiving training (outside of ongoing lifeguard training) with 671 receiving some form of formal training during the course of the year.

We continue to make as many courses as possible available to external candidates ensuring that internal training needs take priority to meet wider business goals. Although this does have an impact on Academy income we believe it has a

beneficial effect elsewhere in the business allowing us to deliver better and more services to customers.

We are committed to providing high quality training interactions both internally and to customers. Monitoring shows that 98% of attendees were either Satisfied or Very Satisfied with the course that they attended. 90% of staff have reported that there had been an improvement in their competence following training and 91% had applied this to their job role, in most cases it had not been previously applied as it was emergency and first aid training that had not been required.

### **Community Engagement**

Community engagement is an important element of the role of the Academy helping to support Everybody objectives and to ensure that we are contributing to the wider community. In turn this helps to raise awareness of the Academy and the activities that it undertakes.

2017 saw the first apprentice organised community family fun day event at Holmes Chapel Community Centre. Apprentices were responsible for planning and organising the event, presenting to EMT and delivering the event on the day. The event didn't have the best weather but around 250 members of the local community attended and enjoyed a range of activities. This year our apprentices are organising a bigger and, hopefully, better event for this summer that will be a community and staff festival.

We have continued to support a wide range of community activity events throughout the year. This year we tried to concentrate on activities that had the most impact and benefit, learning lessons from previous years activities and those that did not work so well. In total the academy attended 22 events, attended by over 4,600 people. We are seeing the benefit of many of these events with applications for work placements, volunteering and apprenticeships

The work placement programme continues to be popular throughout the business but especially for front line leisure placements. A former apprentice now has a permanent position within Everybody with a specific responsibility for Work Placements and the Volunteer scheme to ensure high quality placements that has helped to increase the number of work placements from 28 in 2016-17 to 60 in 2017-18.

### **Volunteers**

The Everybody Volunteer Programme has grown again this year supporting 170 people find a fun, suitable & safe volunteer opportunity. We have supported a wide

range of volunteers with our youngest being 13 and oldest being 72 years old; both became more involved with their community, healthier and sociable through volunteering.

We have supported 25 volunteers with training & qualifications to upskill them and help them become ready for employment, and have supported 16 volunteers move into paid roles within Everybody and other businesses. This year has seen some of our long term volunteers achieve milestones of 1,000, 500, 100 and 50 hours, all of which are fantastic achievements.

The volunteer programme is now supporting various services across Everybody including the swim scheme, fitness roles, health programme & Sports Development team. The end of the 2017-18 year sees the programme hit the cumulative 27,500 hour mark, leading us closer towards the target of 40,000 hours by 2020.

### **Staff Awards**

Our second staff awards night took place in December 2017 to recognise the hard work of all Everybody Staff and Volunteers. The evening recognised Innovation, Coach of the Year, Customer Hero, Volunteer of the Year, Fundraiser of the Year and Manager of the Year as well as Employee of the Year (Lee Fahy- ICT), Team of the Year (Aquatics Team) and Special Recognition Kath Gibson (Cleaner, Shavington Leisure Centre).

A number of key milestones were also celebrated including staff with 20 and 30 years of service as well as volunteers with 50, 100, 150, 250, 500 and 1000 hours completed.

We are now looking forward to this years staff awards, taking place in November 2018. A chance for us to see more inspiring nominations from staff, recognising their colleagues for all the hard work they put in to going above and beyond in their job roles for the customers and the business.

### **One You - Staff Training & Expertise**

In 2017-18 the health team have invested into the skills and development of their staff to ensure a high quality of service, knowledge and support is delivered at all times to our customers. Courses and qualifications include:

- Weight Management and Obesity Diploma
- L3 GP referral

- L3 Anti and Post natal
- ESCAPE-Pain
- BACPR Cardiac Rehab
- Referall Training
- First Aid
- L3 Otago Leaders
- Move it or Lose it Group Exercise
- RSPH Train the trainer L2 understanding health improvement
- L2 gym instructor
- Suicide prevention
- Dementia Awareness
- L4 chronic lower back pain

<b>Last Years Objectives</b>	<b>What we achieved</b>	<b>What Was The Result</b>
Develop and expand the Learn to Swim Programme	Restructured lessons, negotiated levels with Swim Clubs, improved admin	Catered for 7,800 learners during 2017-18
Maximise external funding opportunities	Tendered for and were awarded Escape Pain programme National Programme	Now have delivery of the Escape Pain Programme over 3 sites
Improve the Management Information Systems	New Finance System went live 1st April 2017	Better, more accurate and timely finance reporting
Improve the recruitment, payroll and staff management processes	New HR system iTrent went live July 2017	Better, more accurate and timely employee expenditure reporting
Increase our volunteer offering	Programme was reviewed processes updated volunteer co ordinator employed	Supported 170 people during 2017-18 into volunteer opportunities 16 of these people are now in paid employment
Ensure that the organisation is fully compliant with latest GDPR regulations	Mapped all processes, improved processes where required and trained all staff	We have completed the GDPR compliance programme

## 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 senior management team comprises:*

<b>Peter Hartwell</b>	<i>Chief Executive</i>
<b>Paul Winrow</b>	<i>Executive Director</i>
<b>Kerry Shea</b>	<i>Executive Director</i>
<b>Tom Barton</b>	<i>Executive Director</i>



**Andrew Kolker** Chair



**Phil Bland**  
Finance & Risk  
Sub Committee



**Zoe Davidson**  
Finance & Risk  
Sub Committee



**Kimiyo Rickett**  
Customers & Partners  
Sub Committee



**Helen Gowin**  
People &  
Governance  
Sub Committee



**Colin Chaytors**  
People &  
Governance  
Sub Committee



**Harry Korkou**  
Customers & Partners  
Sub Committee



**Richard Middlebrook**  
Customers & Partners  
Sub Committee



**Martin Hardy**  
People &  
Governance  
Sub Committee



**Alex Taylor**  
Customers & Partners  
Sub Committee



**Steven Percy**  
Finance & Risk  
Sub Committee

## 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 a handbook. During the year the trustee handbook has been renewed to assist both new and established trustees. In addition we have embarked on a programme of development including a series of 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, during 2017-18 the trustees carried out a full internal governance review 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.

The Trustees have 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 4 is £365,756, we aim to be at our ideal reserves position of £750,000 by the end of year 7 (2020-21).

While the operation of the defined benefit pension scheme does create a financial risk for the organisation any deficit or surplus in the scheme can be managed over

the medium term and so has no immediate impact on our cashflow requirements. Any Exit Contributions paid by the Contractor 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 Senior 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.

Principle Risks	Current Controls & Mitigating Actions	Future Action Plan
Major Capital investment plan withdrawn or scaled down, results in major service disruption or unachievable targets	Capital investment complete at Crewe & Sandbach, Alsager and Congleton in the pipeline, plans for Macclesfield approved	Investment portfolio to be prepared during 2018
Inaccurate or inadequate financial information resulting in poor decision making	New, restructured finance team in place from April 2017, new finance system implemented in year	Increase training for budget holders, more face to face management accounts meetings
Pricing Policy inflexible and not targeted, resulting in loss of income and failure to target	Pricing Review taken place – new prices to be implemented May 2018	Pricing to be subject to annual review

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
HMRC view on taxation challenges the current appraisal adversely affecting financial plans and delivery	Advice received from auditors and direct contact from HMRC	No challenge to current status or Partial Exemption calculation
Data Protection requirements unclear – resulting in a breach	Registration with ICO as Data Controller. Full review of all data processes undertaken	GDPR review taken place, new processes and procedures in place
ICT failure resulting in loss of business critical systems for medium term	SLA with Cheshire East Council in place. Disaster recovery plans in place and tested for long term failure. Dedicated ICT Account Manager at Cheshire East Council	New Hr, Finance Systems have external support and are cloud based
Poor safeguarding arrangements resulting in risk to customer safety and reputational issues	Refresh arrangements with all hirers and contractors. New policies agreed	Services brought in house for swimming, catering and Physical Training. All hirers captured under new policy

## 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 healthy return.

Our overall income figure is £15,446,278 which includes £2,351,909 for Donations for the use of the Leisure Centres, which remain under Cheshire East Council's ownership. £2,169,900 refers to income received from Cheshire East under our Operating Agreement, £10,215,715 income was received during the year from customers to our centres and through delivering our contracts, £705,340 trading income was received from our social areas, £2,000 income was received from restricted sources and our investment income was £1,414.

The Unrestricted activities for 2017-18 show an income of £15,444,278 with outgoing resources of £16,243,072 for the year, leaving us with a Net Unrestricted Expenditure of £798,783 for our fourth year of operation. This Expenditure involves a notional pension service cost of £873,000 when this is taken out we are left with a net operating unrestricted income, of £74,217, which is a positive position for our fourth year of trading.

Everybody Sport & Recreation's restricted funds received income within the year of £2,000 from funders. Expenditure for the year was £2,000.

The total unrestricted funds as at the end of 2017-18 are £365,756 excluding our designated funds, which equate to £213,940 (as shown in detail in Note 16).

### **Funding Sources**

Everybody Sport & Recreation's principal funding sources for 2017/18 were membership fees, swimming lesson income, general swimming, class fees and sports hall hire.

A significant proportion of our income came from our contract with Cheshire East Council; this contract refers to the operating of 14 leisure centres across the Cheshire East area. The contract is for 10 years with a possible 5 year extension built in, during 2017-18 this accounted for £2,169,900, including support service costs.

Everybody Sport & Recreation Annual Report and financial statements for the year ended 31 March 2018 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 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.

### **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 and Recreation hold a 23 year lease on a facility at Holmes Chapel, this is in addition to Cheshire East Council owned facilities, this facility is owned by Holmes Chapel Parish 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 "Sporta" (the national association of leisure and cultural trusts), UK Active and LFX (a network for professionals working in the UK fitness industry).

### **Strategic report**

The principal activities of the company in the course of the year are referenced in the Aims and Objectives section 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 38 of the Trustee's 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 courts, 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.

As a new Charity to ensure that all employees understand the financial and economic factors affecting the performance the finance director delivered presentations at the staff briefings to explain commercial awareness, the need for building reserve, the difference between cost and value, economic factors that could affect our performance and the cost to income ratio of Everybody Sport & Recreation.

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) he has taken all the steps that he ought to have taken as a Director in order to make himself 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 26<sup>th</sup> September, 2018 and signed on their behalf by Andrew Kolker.

**Andrew Kolker - Chair, Date: 26th September, 2018**



**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF EVERYBODY  
SPORT & RECREATION FOR THE YEAR ENDED 31 MARCH 2018  
(REGISTRATION No 08685939)**

We have audited the financial statements of Everybody Sport and Recreation for the year ended 31 March 2018 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 2018 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 and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In 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 strategic report or the directors' report included within the trustees' report.

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

- 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 34, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

The Lexicon

Mount Street

Manchester

M2 5NT

~~26<sup>th</sup> September~~ 2018

*10<sup>th</sup> October*

## Statement of Financial Activities period ended 31 March 2018

	Notes	Unrestricted Funds	Restricted Funds	2017-18	2016-17
		£	£	£	£
<b>Income:</b>					
Donations and Legacies	2	2,385,732	-	2,385,732	2,781,274
Charitable Activities	3	9,250,477	-	9,250,477	9,068,484
Other Trading Activities	4	705,340	-	705,340	318,158
Investment Income		1,414	-	1,414	2,059
Grants & Contracts	5	3,101,315	2,000	3,103,315	2,651,257
<b>Total Income</b>		<b>15,444,278</b>	<b>2,000</b>	<b>15,446,278</b>	<b>14,821,232</b>
<b>Expenditure on Charitable Activities</b>					
Other Trading Activities	6	620,907	-	620,907	350,671
Charitable Activities	7	15,622,154	2,000	15,624,154	14,760,079
Net Gains/(Losses) on investments		-	-	-	-
<b>Total Expenditure</b>		<b>16,243,061</b>	<b>2,000</b>	<b>16,245,061</b>	<b>15,110,750</b>
<b>Net Income (Expenditure)</b>		<b>(798,783)</b>	<b>-</b>	<b>(798,783)</b>	<b>(289,518)</b>
Transfers Between Funds		-	-	-	-
<b>Other Recognised Gains / (Losses)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Actuarial Gains / (Losses) on Defined Benefit Pension Schemes		736,000	-	736,000	(2,198,000)
<b>Net Movement</b>		<b>(62,783)</b>	<b>-</b>	<b>(62,783)</b>	<b>(2,487,518)</b>
Total Funds Brought Forward		(4,637,522)	-	(4,637,522)	(2,150,004)
<b>Total Funds Carried Forward</b>		<b>(4,700,305)</b>	<b>-</b>	<b>(4,700,305)</b>	<b>(4,637,522)</b>

## Balance Sheet as at 31 March 2018

	Note	31 March 18	31 March 17
<b>Fixed Assets:</b>			
Intangible Fixed Assets	11	28,407	123,439
Tangible Fixed Assets	12	1,288,349	757,014
<b>Total Fixed Assets</b>		<b>1,316,756</b>	<b>880,453</b>
<b>Current Assets:</b>			
Stocks		66,296	67,061
Debtors	13	453,302	419,555
Cash at bank and in hand		936,033	839,580
<b>Total Current Assets</b>		<b>1,455,631</b>	<b>1,326,196</b>
<b>Liabilities:</b>			
Creditors: amounts due within one year	14	(1,541,543)	(1,413,171)
<b>Net Current Assets/(Liabilities)</b>		<b>(85,912)</b>	<b>(86,975)</b>
<b>Total Assets Less Current Liabilities</b>		<b>1,230,844</b>	<b>793,478</b>
Creditors: amounts falling due after one year	15	(651,149)	(288,000)
<b>Net Asset or Liabilities excluding pension Asset or Liability</b>		<b>579,695</b>	<b>505,478</b>
Defined Benefit Pension Scheme Asset or Liability		(5,280,000)	(5,143,000)
<b>Total Net Assets or Liabilities</b>		<b>(4,700,305)</b>	<b>(4,637,522)</b>
<b>Funds of the Charity:</b>			
Unrestricted Funds		365,755	244,796
Unrestricted Designated Funds		213,940	260,682
Pension Reserve		(5,280,000)	(5,143,000)
<b>Total Funds</b>		<b>(4,700,305)</b>	<b>(4,637,522)</b>

These Financial Statements were approved and authorised for issue by the Board on 26th September 2018 and signed on their behalf by Andrew Kolker.



## Cashflow Statement as at 31 March 2018

	01 April 2017 – 31 March 2018 £	01 April 2017 – 31 March 2017 £	Table
<b>Cash Flows from operating activities</b>			
Net cash (outflow)/inflow from operating activities	329,089	372,452	1
<b>Cash flows from investing activity</b>			
Capital Expenditure	(170,050)	(491,728)	
Interest Income	1,414	2,059	
<b>Cash flows from financing activity</b>			
Loan Repayment	(64,000)	(48,000)	
<b>Increase/(Decrease) in cash in period</b>	<b>96,453</b>	<b>(165,217)</b>	<b>3</b>
<b>Cash &amp; Cash equivalents at the beginning of the reporting period</b>	<b>839,580</b>	<b>1,004,797</b>	
<b>Cash &amp; Cash equivalents at the beginning of the reporting period</b>	<b>936,033</b>	<b>839,580</b>	

**Table 1**

	01 April 2017 – 31 March 2018 £	01 April 2016 – 31 March 2017 £
<b>Net movement in funds for the reporting period (as per the statement of financial activities)</b>	(786,881)	(289,518)
Adjustments for:		
Pension Service Cost	873,000	401,000
Sale of Assets	68,926	-
Depreciation charges	197,786	92,186
Interest Income	(1,414)	(2,059)
(Increase)/decrease in stocks	764	(10,146)
(Increase)/decrease in debtors	(21,870)	59,602
Increase/(decrease) in creditors	(1,222)	121,387
<b>Net cash provided by (used in) operating activities</b>	<b>329,089</b>	<b>372,452</b>

**Table 2**

	01 April 2017 – 31 March 2018 £	01 April 2016 – 31 March 2017 £
Cash in hand	936,033	839,580
<b>Total cash &amp; cash equivalents</b>	<b>936,033</b>	<b>839,580</b>

**Table 3**

	01 April 2017 – 31 March 2018 £	01 April 2016 – 31 March 2017 £
Increase / (decrease) in cash in the period	96,453	(165,217)
<b>Change in net funds</b>	<b>96,453</b>	<b>(165,217)</b>
Net funds as at 1 <sup>st</sup> April	839,580	1,004,797
<b>Net funds as at 31<sup>st</sup> March</b>	<b>936,033</b>	<b>839,580</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### 1.01 Basis of Preparation

The Accounts cover the 12 month period ended 31<sup>st</sup> March 2018, the previous year comparatives refer to the period 1<sup>st</sup> April 2016 – 31<sup>st</sup> March 2017. 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 2015).

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 2018-19 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.

Since our inception in May 2014 we have increased our turnover by almost £3 million and continued to make surpluses each year. Our Cashflow position continues to improve year on year, with a £96,000 increase from March 2017 to March 2018. We are budgeting another surplus for 2018-19 of £101,000.

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

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

### **1.03 Incoming resources**

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

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

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

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

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

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

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

### **1.04 Fund accounting**

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

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

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

### 1.05 Stock accounting

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

### 1.06 Resources expended

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

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

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

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

### 1.07 Intangible assets and depreciation

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

Depreciation is provided as follows:

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

### 1.08 Tangible fixed assets and depreciation

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

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

<u>Asset</u>	<u>Lifespan</u>	<u>Rate</u>
Property	50 years or the life of a property lease if less.	2%
Gym/Studio Equipment	5 years	20%
General Equipment	5 years	20%
Computers/IT	5 years	20%

### **1.09 Leasing**

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

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

### **1.10 Deferred income**

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

### **1.11 Financial Instruments**

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

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective

evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activity.

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

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

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

### **1.12 Creditors**

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

### **1.13 Judgements in applying accounting policies and key sources of estimation uncertainty**

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

#### **(i) Useful economic lives of tangible assets**

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

## (ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors.

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

## (iii) Actuarial Assumptions

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

## 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 showing an Operating Surplus prior to the Pension Service Costs (£74,217) 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.

### 1.15 Operating Surplus (Actuarial Pension Costs Removed)

	Notes	Unrestricted Funds	Restricted Funds	01 Apr 2017 – 31 Mar 2018	01 Apr 2016 – 31 Mar 2017
		£	£	£	£
<b>Income:</b>					
Donations and Legacies	2	2,385,732	-	2,385,732	2,781,274
Charitable Activities	3	9,250,477	-	9,250,477	9,068,484
Other Trading Activities	4	705,340	-	705,340	318,158
Investment Income		1,414	-	1,414	2,057
Grants & Contracts	5	3,101,315	2,000	3,103,315	2,651,257
<b>Total Income</b>		<b>15,444,278</b>	<b>2,000</b>	<b>15,446,278</b>	<b>14,821,230</b>
<b>Expenditure on Charitable Activities</b>					
Other Trading Activities	6	620,907	-	620,907	350,671
Charitable Activities	7	14,749,154	2,000	14,751,154	14,359,079
<b>Total Expenditure</b>		<b>15,370,061</b>	<b>2,000</b>	<b>15,372,061</b>	<b>14,709,750</b>
<b>Net Income (Expenditure)</b>		<b>74,217</b>	<b>-</b>	<b>74,217</b>	<b>111,480</b>
Transfers Between Funds		-	-	-	-
<b>Operating Surplus / (Deficit)</b>		<b><u>74,217</u></b>	<b>=</b>	<b><u>74,217</u></b>	<b><u>111,480</u></b>

## 2. Donations & Legacies

	01 April 2017 – 31 March 2018	01 April 2016 – 31 March 2017
	£	£
Miscellaneous	4,303	54
Everybody Foundation	-	1,640
Use of Buildings Owned by Cheshire East BC	2,351,909	2,745,820
Use of Buildings Owned by Holmes Chapel Parish Council	29,520	33,760
<b>Total Income</b>	<b>2,385,732</b>	<b>2,781,274</b>

Donations are now received directly by the Everybody Foundation (Registered Charity No. 1174873).

The reduced value of the donations from Cheshire East BC and Holmes Chapel Parish Council is due to a reduction in the rental valuation for all properties utilised.

## 3. Charitable Activities

	Operational Facilities	Partnership & Leisure Development	Total
	£	£	£
Total 01 April 2017 - 31 March 2018	9,188,890	61,587	9,250,477
Total 01 April 2016 - 31 March 2017	9,026,110	42,374	9,068,484

#### 4. Other Trading Activities (Income)

	01 April 2017 – 31 March 2018	01 April 2016 – 31 March 2017
	£	£
Bar & Catering Income	705,340	318,158
<b>Total Income</b>	<b>705,340</b>	<b>318,158</b>

Bar and Catering direct activities resulted in a net financial surplus of £84,433 which is viewed as providing an enhancement to the overall customer experience. It includes vending commission and excludes all overheads.

The increase of £387,182 from 2016-17 to 2017-18 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 2017 – 31 March 2018	01 April 2016 – 31 March 2017
	£	£
CEC Management Fee	2,169,900	2,168,500
Bikeability	176,880	187,699
Health	671,988	224,199
Other Sources	84,547	70,859
<b>Total Income</b>	<b>3,103,315</b>	<b>2,651,257</b>

#### 6. Other Trading Activities (Expenditure)

	01 April 2017 – 31 March 2018	01 April 2016 – 31 March 2017
	£	£
Staff Costs	295,682	189,585
Bar & Catering Purchases	325,225	161,086
<b>Total Expenditure</b>	<b>620,907</b>	<b>350,671</b>

Additional costs have been incurred during 2017-18 due to a full years trading for all facilities under the brand "Taste For Life".

**7. Charitable Activities (Including Actuarial Pension Costs)**

	Operational Facilities	Partnership & Leisure Dev	01 April 2017 - 31 March 2018	01 April 2016 - 31 March 2017
- Salary, NI & Pensions	7,209,226	500,997	7,710,223	6,904,945
- Indirect Employee Costs	36,166	17,013	53,179	76,797
- Pension Service Costs	742,617	11,569	754,186	326,865
- Property Costs	2,437,466	-	2,437,466	2,845,608
- Transport - Other	1,360	1,866	3,226	3,418
- Supplies & Services	1,488,091	356,625	1,844,716	2,053,925
- Financing Costs	158,736	8,718	167,454	76,721
- Support & Marketing Costs Reallocated	2,449,271	181,923	2,631,194	2,453,483
- Governance Costs Reallocated	20,954	1,556	22,510	18,317
<b>Total 01 April 2017 - 31 March 2018</b>	<b>14,543,887</b>	<b>1,080,267</b>	<b>15,624,154</b>	<b>14,760,079</b>
<b>Total 01 April 2016 - 31 March 2017</b>	<b>13,794,679</b>	<b>965,400</b>		<b>14,760,079</b>

**8. Support and Governance Costs**

	Management & Support Services	Governance Costs	01 April 2017 - 31 March 2018	01 April 2016 - 31 March 2017
	£	£	£	£
Activity Costs	697,011	22,510	719,521	913,356
Salary, NI & Pensions	1,377,060	-	1,377,060	1,206,885
Indirect Employee Costs	212,401	-	212,401	110,572
Pension Service Costs	118,814	-	118,814	74,135
Property Costs	169,749	-	169,749	139,252
Transport - Other	24	-	24	1,085
Financing Costs	56,135	-	56,135	8,198
<b>Total</b>	<b>2,631,194</b>	<b>22,510</b>	<b>2,653,704</b>	<b>2,453,483</b>

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

The aggregate payroll costs were:	01 April 2017 – 31 March 2018	01 April 2016 – 31 March 2017
	£	£
Salaries	8,188,830	7,378,100
Social Security Costs	480,518	380,418
Pension Costs	771,162	542,897
<b>Total</b>	<b>9,440,510</b>	<b>8,301,415</b>

Included within the costs identified above which refer to 408 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 2018	No. of Employees 2017
60,000 - 69,999	3	3
70,000 – 79,999	-	-
80,000 – 89,999	-	-
90,000 – 99,999	1	1
100,000 – 109,000	-	-
<b>Total</b>	<b>4</b>	<b>4</b>

The total salary and pension costs paid to all key management totalled £351,074

As part of a management restructure in January 2018, one further voluntary severance payment was incurred during 2017-18 and is identified within the expenditure included within Charitable Activities. This totalled £21,210 and is included from aggregate payroll cost of £9,440,510 identified above.

Governance costs include Annual Auditor Fees totalling £20,194 including unrecoverable VAT (£14,500 in 2016-17 excluding unrecoverable VAT) and £1,796 for other Audit Advisory Services

The Charity Trustees receive no remuneration for their services. No Trustees claimed for mileage costs reimbursed by the Charity.

## 10. Staff Numbers

The average number of staff employed during this financial year is detailed below. In addition, the average number of equivalent full time staff is also detailed. Casual staff have been excluded from this table.

During 2017-18, employee data was successfully transferred to a new HR and Payroll system. This allowed for a restructure and reclassification of employees, which has now resulted in a number of staff previously identified as "permanent staff" who are now classed as "temporary", therefore excluding them from the information below in 2017-18.

2018	No.	FTE	
Leisure Facilities and Leisure Development	332	214	(332 Staff filling 404 posts)
Taste for Life and Health	31	25	(31 Staff filling 32 posts)
Support Services and Academy	45	33	(45 Staff filling 45 posts)
<b>Total</b>	<b>408</b>	<b>272</b>	

2017	No.	FTE	
Leisure Facilities	418	193	(418 Staff filling 530 posts)
Leisure Development, Taste for Life and Health	53	22	(53 Staff filling 55 posts)
Support Services, Academy, Sales and Marketing	63	45	(63 Staff filling 65 posts)
<b>Total</b>	<b>534</b>	<b>260</b>	

Many of Everybody's dedicated staff team work in more than one job role

**11. Intangible Fixed Assets**

	£	£
2017-18	IT Software	Total
<u>Cost</u>		
Balance as of 01 April 2017	123,439	123,439
Additions	18,736	18,736
Disposal (Transferred to Finance Lease)	(100,782)	(100,782)
As at 31 March 2018	41,393	41,393
<u>Amortisation</u>		
Balance as of 01 April 2017	-	-
Provided In Year	38,181	38,181
Less Disposal	(25,195)	(25,195)
As at 31 March 2018	12,986	12,986
<u>Net Book Value</u>		
As at 31 March 2018	28,407	28,407
As at 01 April 2017	123,439	123,439

**12. Tangible Fixed Assets**

	£	£	£	£	£
2017-18	Buildings inc Professional Fees	Gym Equipment	IT Equipment	General Equipment	Total
<u>Cost:</u>					
Balance as of 01 April 2017	578,638	176,532	13,525	155,686	924,381
Reclassification	-	-	7,268	(7,268)	-
Additions	39,988	19,148	34,377	76,537	170,050
Additions (Finance Leases)	-	422,731	114,891	64,482	602,104
Disposal (Transferred to Finance Lease)	-	-	-	(56,563)	(56,563)
Disposal (Transferred to Operating Lease)	-	(58,386)	-	(9,995)	(68,381)
As at 31 March 2018	618,626	560,025	170,061	222,879	1,571,591
<u>Depreciation:</u>					
As at 01 April 2017	37,793	77,453	4,870	47,251	167,367
Reclassification	-	-	1,454	(1,454)	-
Charge for the Year	26,076	34,449	7,309	34,509	102,343
Charge for the Year (Finance Leases)	-	46,584	6,839	3,839	57,262
Less Disposal	-	(20,435)	-	(23,295)	(43,730)
As at 31 March 2018	63,869	138,051	20,472	60,850	283,242
<u>Net Book Value</u>					
As at 31 March 2018	554,757	421,974	149,589	162,029	1,288,349
As at 01 April 2017	540,845	99,079	8,655	108,435	757,014

**12A. Finance Leases**

2017-18 Finance Leases	£ Gym Equipment	£ IT Equipment	£ General Equipment	£ Total
<u>Cost:</u>				
Balance as of 01 April 2017	-	-	-	-
Additions	422,731	114,891	64,482	602,104
As at 31 March 2018	422,731	114,891	64,482	602,104
<u>Depreciation:</u>				
As at 01 April 2017	-	-	-	-
Charge for the Year	46,584	6,839	3,839	57,262
As at 31 March 2018	46,584	6,839	3,839	57,262
<u>Net Book Value</u>				
As at 31 March 2018	376,147	108,052	60,643	544,842
As at 01 April 2017	-	-	-	-

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 2018 £	31 March 2017 £
Trade Debtors	387,039	304,342
Prepayments and Accrued Income	66,263	115,213
<b>As at 31 March 2018</b>	<b>453,302</b>	<b>419,555</b>

£23,254 of Bad Debt has been written off through the Statement of Financial Activity.

**14. Creditors: Amounts Falling Due Within One Year**

	31 March 2018 £	31 March 2017 £
Trade Creditors	75,614	7,031
Accruals and Deferred Income	791,795	996,486
Taxation and Social Security	410,096	275,757
Loans	64,000	64,000
Finance Leases	117,693	-
Other Creditors	82,345	69,897
<b>As at 31 March</b>	<b>1,541,543</b>	<b>1,413,171</b>

**Deferred Income**

	31 March 2018 £	31 March 2017 £
Resources deferred in the year	382,535	375,634
Deferred income at 31 March	<b>382,535</b>	<b>375,634</b>
Consisting of :		
Annual Memberships	249,803	150,898
Facility Bookings	9,901	10,857
Learn To Swim Scheme	27,718	30,437
Memberships Income received in March	50,470	48,922
Various other Projects	44,643	134,520
<b>Total</b>	<b>382,535</b>	<b>375,634</b>

**15. Creditors: Amounts Falling Due After One Year**

	31 March 2018 £	31 March 2017 £
Principal Repayments Repayable Between 1 to 5 Years	224,000	256,000
Principal Repayments Repayable After 5 Years	-	32,000
Principal Finance Lease Repayable Between 1 to 5 years	427,149	-
<b>Total</b>	<b>651,149</b>	<b>288,000</b>

The above loan was received on 18<sup>th</sup> December 2015 and has an interest rate attached to it of 4% above the Bank of England's variable Base Rate.

This is an Unsecured Loan.

**16. Analysis of Charitable Funds**

Fund	Brought Forward 2017 £	Incoming Resources £	Outgoing Resources £	Gains / (Losses) £	Transfers In / (Out) £	Carried Forward 2018 £
<b>Restricted</b>	-	2,000	(2,000)	-	-	-
<b>Unrestricted</b>	<b>244,796</b>	15,444,278	(15,370,061)	-	46,742	<b>365,755</b>
<b>Pension Reserve</b>	<b>(5,143,000)</b>	-	(873,000)	736,000	-	<b>(5,280,000)</b>
<b>Designated Funds</b>						
- Staff Membership Scheme	33,281	-	-	-	13,168	46,449
- Depreciation Reserve	37,035	-	-	-	(18,518)	18,517
- Training Academy	15,100	-	-	-	(6,000)	9,100
- Signage	18,000	-	-	-	(6,000)	12,000
- Knutsford Attic	14,400	-	-	-	(4,800)	9,600
- Systems Upgrade	117,866	-	-	-	(23,573)	94,293
- Capital Contributions Received	23,431	-	-	-	(1,019)	22,412
- Everybody Foundation	1,569	-	-	-	-	1,569
<b>Designated Funds–Total</b>	<b>260,682</b>	-	-	-	<b>(46,742)</b>	<b>213,940</b>
<b>Total Funds</b>	<b>(4,637,522)</b>	<b>15,446,278</b>	<b>(16,245,061)</b>	<b>736,000</b>	-	<b>(4,700,305)</b>

	Bronged Forward 2017/17	Incoming Resources	Outgoing Resources	Gains / (Losses)	Transfers In / (Out)	Carried Forward 2017/18
Unrestricted Funds	£	£	£	£	£	£
<b>General Fund</b>	113,940	14,821,232	(14,709,750)	-	19,375	244,797
<b>Pension Reserve</b>	(2,544,000)	-	(401,000)	(2,198,000)	-	(5,143,000)
<b>Designated Funds</b>						
- Staff Membership Scheme	13,055	-	-	-	20,226	33,281
- Depreciation Reserve	55,553	-	-	-	(18,518)	37,035
- Training Academy	15,100	-	-	-	-	15,100
- Signage	24,000	-	-	-	(6,000)	18,000
- Knutsford Attic	19,200	-	-	-	(4,800)	14,400
- Systems Upgrade	117,866	-	-	-	-	117,866
- Marketing	10,833	-	-	-	(10,833)	-
- Everybody Foundation	-	-	-	-	1,569	1,569
- Capital Contributions Received	24,450	-	-	-	(1,019)	23,431
<b>Total Designated Funds</b>	<b>280,057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,375)</b>	<b>260,682</b>

Analysis of Net Assets between Funds	Unrestricted Funds	Designated Funds	Total Funds 2018
	£	£	£
Intangible Fixed Assets	28,407	-	<b>28,407</b>
Tangible Fixed Assets	1,288,349	-	<b>1,288,349</b>
Current Assets	1,241,692	213,940	<b>1,455,632</b>
Creditors: amounts falling due within one year	(1,541,543)	-	<b>(1,541,543)</b>
Creditors: amounts falling due after one year	(651,149)	-	<b>(651,149)</b>
Pension Liability	(5,280,000)	-	<b>(5,280,000)</b>
<b>Total</b>	<b>(4,914,244)</b>	<b>213,940</b>	<b>(4,700,304)</b>

Analysis of Net Assets between Funds	Unrestricted Funds	Designated Funds	Total Funds 2017
	£	£	£
Intangible Fixed Assets	123,439	-	<b>123,439</b>
Tangible Fixed Assets	757,014	-	<b>757,014</b>
Current Assets	1,065,514	260,682	<b>1,326,196</b>
Creditors: amounts falling due within one year	(1,413,171)	-	<b>(1,413,171)</b>
Creditors: amounts falling due after one year	(288,000)	-	<b>(288,000)</b>
Pension Liability	(5,143,000)	-	<b>(5,143,000)</b>
<b>Total</b>	<b>(4,898,204)</b>	<b>260,682</b>	<b>(4,637,522)</b>

### 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 our Training Academy in order to increase participation in training, recruiting apprentices and establishing our external training offer. These costs are now expected to be fully incurred during 2018-19.

### Signage

The signage at our facilities was significantly improved within the year 2015-16. The original £30,000 which was designated in 2014-15 is now being transferred to the General Fund over a period of five years to reflect the depreciation charges on the costs which were incurred.

### **Knutsford Attic**

A fund of £24,000 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 have been acquired during 2016-17 and have been fully implemented during 2017-18. A contribution will be made from the Designated Fund into the General Fund in future years to offset the annual charges that will be made into the annual revenue account.

### **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.

### **Everybody Foundation**

Funds are no longer being received into the revenue account of Everybody Sport and Recreation as a separate charity has been created for the Everybody Foundation.

During 2018-19, the value of this Designated Fund will be transferred to the Everybody Foundation for distribution.

## **17. Related Party Transactions**

The charity has a close working relationship with Cheshire East Council. The Council nominate two of the eleven trustees. 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 2017 – 31 March 2018	01 April 2016 – 31 March 2017
		£	£
Donations & Legacies	- CEC	2,351,909	2,745,820
"	" - HCPC	29,520	33,760
Grants and Contracts	- CEC	2,169,900	2,168,500
Loan Interest and Principal Repaid	- CEC	78,130	70,592
Charitable Expenditure	- CEC	2,563,550	3,154,321
"	" - HCPC	29,520	33,760

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 in 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. An amount of £211,641 is shown in expenditure for the purchase of back office and IT support provided by the Council on behalf of Everybody Sport and Recreation.

In addition, the following transactions occurred during 2017-18 with organisations which are identified as being Related Parties to Trustees or Senior Managers of the Company:

- Alsager Multi Academy Trust: £14,171 income – facility hire and £14,288 expenditure relating to a shared income arrangement
- Charity Finance Group: £593 expenditure – conference fees
- Hermitage Primary School: £691 income – facility hire
- MS Society: £3,128 income – facility hire
- SAS Daniels: £1,800 expenditure – legal advice

Cheshire East Council have indemnified Everybody Sport & Recreation's pension liability (refer to note 1.14), this liability is currently valued at £5,280,000 as at 31 March 2018. The projected amount to be charged to the Operating Profit on the 31 March 2019 is expected to be £2,022,000.

The Trustees received no emoluments or payments for professional or other services.

The following is a summary of the outstanding transactions with the primary related parties:

	2018	2017
Amounts due to: Cheshire East Council – Various	25,089	13,525
Cheshire East Council – Loan Principal	288,000	352,000
Cheshire East Council – Interest Within One Year	11,883	17,463
Amounts due from: Cheshire East Council	229,769	219,003
Amounts due from: Holmes Chapel Parish Council	148	179

## 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 2017 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 9.9%, depending on pay for employees.

### Pension Commitments

	2018	2017
Rate of increase in salaries	2.60%	2.70%
Rate of increase in pensions payment	2.30%	2.40%
Discount rate	2.70%	2.70%
<b>Commutation of Pensions to Lump Sums</b>		
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		
<b>Mortality assumptions</b>		
Life expectancy at 65		
Retiring today		
- Male	22.3 years	22.3 years
- Female	24.5 years	24.4 years
Retiring in the future		
- Male	23.9 years	24.1 years
- Female	26.5 years	26.7 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:

	2018	2017
	Fair Value £	Fair Value £
Equities	8,840,880	11,532,290
Bonds	5,566,480	2,096,780
Property	1,309,760	1,048,390
Cash	654,880	299,540
<b>Total market value of assets</b>	<b>16,372,000</b>	<b>14,977,000</b>

The actual return on Scheme Assets was £542,000 (£2,462,000 in 2016-17).

	2018	2017
	£	£

#### Amounts Recognised in the Statement of Financial Activities

Employer Contribution	(753,000)	(663,000)
Past Service Cost	-	49,000
Current Service Cost	1,478,000	918,000
Expected Return On Pension Scheme Assets	(416,000)	(438,000)
Interest On Pension Liabilities	564,000	535,000
<b>Total</b>	<b>873,000</b>	<b>401,000</b>

**Actual Return On Scheme Assets** **542,000** **2,462,000**

#### Movements in the Present Value of the Defined Benefit Obligation were as follows:

Opening Defined Benefit Obligation	20,120,000	14,369,000
Contributions By Employees	243,000	258,000
Actuarial Losses / (Gains)	(610,000)	4,222,000
Benefits Paid	(143,000)	(231,000)
Interest Cost	564,000	535,000
Current Service Cost	1,478,000	918,000
Past Service Cost	-	49,000
<b>Closing Defined Benefit Obligation</b>	<b>21,652,000</b>	<b>20,120,000</b>

	2018 £	2017 £
<b>Movements In The Fair Value of Everybody's Share of Scheme Assets:</b>		
Opening Fair Value of Scheme Assets	14,977,000	11,825,000
Interest Income	416,000	438,000
Actuarial Gains and (Losses)	126,000	2,024,000
Contributions By Employer	753,000	663,000
Contributions By Employee	243,000	258,000
Benefits Paid	(143,000)	(231,000)
<b>Closing Fair Value of Scheme Assets</b>	<b>16,372,000</b>	<b>14,977,000</b>

The pension scheme has a deficit; this is being addressed through a re-evaluation of employers contribution at each triannual review. The deficit has increased in year from £5.1m to £5.3m. 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 2019 is expected to be £753,000

## 19. Operating Leases

Annual Total	Within the First Year £	Within the Second to Fifth Years Inclusive £	Over Five Years £
01 Apr 2017 – 31 Mar 2018	174,517	323,524	-
01 Apr 2016 – 31 Mar 2017	213,248	436,987	-

Operating lease payments recognised as an expense totalled £274,567 (£307,522 in 2016-17).

## 20. Finance Leases

Annual Total	Within the First Year	Within the Second to Fifth Years Inclusive
	£	£
Net Lease Charges Due	113,447	431,395

The total value of Finance Leases recognised in the Balance Sheet is £544,842

No Finance leases were in place during 2016-17.

## 21. Financial Instruments

	2018	2017
	£	£
<b>Financial assets that are debt instruments measured at amortised cost:</b>		
Trade debtors	387,039	302,342
Accrued Income	59,578	115,213
	<b>446,617</b>	<b>417,555</b>
<b>Financial liabilities measured at amortised cost:</b>		
Trade creditors	75,615	7,031
Loans	288,000	352,000
Finance Leases	544,842	-
Accruals	397,358	620,852
Other creditors	82,345	69,897
	<b>1,388,160</b>	<b>1,049,780</b>
<b>Cash and term deposits</b>	<b>936,033</b>	<b>839,580</b>

## 22. Control Relationship

The charity is controlled by the Trustees.

**23. Prior Year Statement of Financial Activities - period ended 31 March 2017**

	Unrestricted Funds	Restricted Funds	01 Apr 2016 - 31 Mar 2017
	£	£	£
<b>Income:</b>			
Donations and Legacies	2,781,274	-	2,781,274
Charitable Activities	9,060,803	7,681	9,068,484
Other Trading Activities	318,158	-	318,158
Investment Income	2,059	-	2,059
Grants & Contracts	2,420,049	231,208	2,651,257
<b>Total Income</b>	<b>14,582,343</b>	<b>238,889</b>	<b>14,821,232</b>
<b>Expenditure on Charitable Activities</b>			
Other Trading Activities	350,671	-	350,671
Charitable Activities	14,463,921	296,158	14,760,079
Net Gains/(Losses) on investments	-	-	-
<b>Total Expenditure</b>	<b>14,814,592</b>	<b>296,158</b>	<b>15,110,750</b>
<b>Net Income (Expenditure)</b>	<b>(232,249)</b>	<b>(57,269)</b>	<b>(289,518)</b>
Transfers Between Funds	(57,269)	57,269	-
<b>Other Recognised Gains / (Losses)</b>			
Actuarial Gains / (Losses) on Defined Benefit Pension Schemes	(2,198,000)	-	(2,198,000)
<b>Net Movement</b>	<b>(2,487,518)</b>	<b>-</b>	<b>(2,487,518)</b>
Total Funds Brought Forward	(2,150,004)	-	(2,150,004)
<b>Total Funds Carried Forward</b>	<b>(4,637,522)</b>	<b>-</b>	<b>(4,637,522)</b>