



SANDWELL LEISURE TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2019

Company Registration No. 05011501
Registered Charity No. 1102431

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

Foreword

Sandwell Leisure Trust (SLT) is a social enterprise, established as a company limited by guarantee, and a registered charity, managing award-winning sport and leisure facilities.

We are non-profit distributing which means we reinvest 100% of any surplus to maintain, improve and deliver quality services for the whole community to enjoy, socialise in and become more active.

This was our 15th year of operation and we are delighted to report on another successful year.

The Trust manages 9 sports and leisure centres, including 6 swimming pool facilities, and a golf course in Sandwell, and delivers a wide range of popular sports development activities throughout the borough, on behalf of and in partnership with Sandwell Council.

We also manage a 10th sports and leisure centre outside of Sandwell – the Ryland Centre in Bromsgrove.

It is heartening to see that in a competitive market with challenging local demographics, SLT continues to deliver service improvements and exceed targets, agreed in partnership with Sandwell Council, to increase participation in physical activity and sport throughout the borough.

Overall membership has increased to 68,674 (2018: 60,874).

Attendances at our sports and leisure centres also increased and figures show yet again how popular swimming is for all ages in Sandwell. Free swimming registrations increased to 38,894 (2018: 30,568).

Other notable highlights include receiving a RoSPA Gold Presidents Award for the 13th consecutive year in recognition of our continued commitment to deliver safe facilities for our customers to enjoy. We also maintained Quest accreditation for the quality of our facilities.

Importantly, we also continued to receive excellent feedback from our customers on how we are changing their lives. A selection of their stories and comments are featured at the end of this report.

Sandwell Council's vision is to create a more physically active Sandwell and SLT continues to play a leading role in the successful delivery of this vision.

All of our achievements would not be possible however without the commitment and hard work of our employees, the effective leadership, expertise and innovation of our managers and Board Members and the support of Sandwell Council and all our partners.

We thank everyone for their continued contribution and support.



Lynda Bateman - Chair

10 September 2019



Ash Rai – Chief Executive

10 September 2019

SANDWELL LEISURE TRUST
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GOVERNANCE REPORT

STATUS

The organisation was incorporated on 9 January 2004 as a company limited by guarantee and was registered with the Charity Commission on 2 March 2004.

The charitable company is established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

TRUSTEES

As the company is limited by guarantee, the trustees have no interest in any shares in the company. The trustees who served during the period were as follows:

| | | |
|---------------|----------------------------|--|
| V McFarland | | (appointed 01.12.04) |
| Cllr P Hughes | | (appointed 12.09.07, resigned 31.08.16, reappointed 07.02.17) |
| L Bateman | (Chair from 06.09.16) | (appointed 04.05.10) |
| V Nembhard | | (appointed 17.09.13) |
| N Griffiths | (Vice Chair from 16.09.14) | (appointed 17.09.13, resigned 11.09.18) |
| M Sharma | | (appointed 17.09.13) |
| P Venables | (Vice Chair from 11.09.18) | (appointed 04.02.14) |
| P Piddock | | (appointed 11.09.18) |
| R Jackson | | (appointed 11.09.18) |
| P Kaur | | (appointed 11.09.18) |

CHIEF EXECUTIVE

A Rai

SECRETARY

S Dillion

REGISTERED OFFICE

Carnegie Building
Victoria Road
Tipton
West Midlands
DY4 8SR

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REGISTERED NUMBERS

Company registration number 05011501
Registered charity number 1102431

AUDITORS

RSM UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

BANKERS

NatWest Bank
267 Castle Street
Dudley
DY1 1LJ

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GOVERNANCE AND RISK

We are committed to achieving high standards of corporate governance throughout our operations.

The Board leads and maintains full and effective control of the company and its activities. The Board is responsible for matters of key strategic importance and delegates financial authority to the Chief Executive and other Trust Managers via a clearly defined scheme of delegation. In addition, the Board have delegated authority to the Remuneration Sub-Committee and the Chief Executive and agreed Sub-Committees will be brought together to deal with finance/employment and governance matters as required. Our Board Members also bring skills and experience to help drive our expansion.

We operate a rigorous business planning process whereby corporate objectives and targets directed by the Board and agreed with Sandwell MBC ("SMBC") cascade down the Trust's Business Plan, Action Plans and employees' personal objectives. This is fully embedded in our planning and budgeting cycles and is an integral part of our operation and performance.

We have an established system for identifying, evaluating and managing the significant risks faced by the Company and a risk log is an integral part of the annual operational plan which is agreed by the Board. The Board Members have been actively involved in identifying and managing the risks to which we are exposed.

The key risk facing SLT is non-delivery of the 2019-20 to 2021-22 Business Plan, which would affect the viability and financial stability of the Organisation.

The risk log is reviewed by the Executive every quarter and an updated version presented to the Board every six months. In addition, the log would be reviewed in the event of a significant occurrence which materially increases a risk.

Our Memorandum and Articles of Association specify the number of Trustees required and lays down the duration of their terms of office. The number of trustees is kept under review by the Chief Executive and Company Secretary. We maintain an open advert for new trustees via the company website and active recruitment campaigns are undertaken when it is anticipated that trustee numbers are likely to reduce. In line with best governance practice, we put in place a comprehensive induction programme for any new Board Members. In addition to formal training this provides access to an online resource pack and web portal. Annual reviews for individual Board Members are available with the Chair, and the Board performance and effectiveness process was implemented during the year with the introduction of a new appraisal scheme.

The Trustees and the Management Team make up the key management personnel of the charity in charge of directing, controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely (details of reimbursed expenses are included in note 4).

The pay of the Chief Executive is considered on an annual basis by the Remuneration Sub-Committee which makes recommendations to the Trust Board. Pay is normally increased in line with increases awarded to other members of staff whose pay is determined by the National Joint Council for Local Government Services. The other members of the Trust Management Team are granted pay awards in accordance with their contract of employment.

The Sub-Committee is also responsible for undertaking an annual performance appraisal and development process for the Chief Executive.

**SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2019**

CORPORATE RESPONSIBILITY

Health & Safety ("H&S")

We take our duty of care to all those who work or visit our facilities extremely seriously and in order that we continue with the healthy culture supporting Health and Safety within the Trust, we seek independent advice from our external provider.

The Board has agreed a Health & Safety Policy which sets the strategic direction for this area. We have a Joint Health & Safety Consultative Committee with the Trade Unions, which meets regularly to discuss and resolve health and safety issues.

Environment

SLT is committed to reducing its carbon footprint and impact on the environment. We recognise the importance of protecting the environment and have installed a number of measures to reuse and recycle trade waste and consumable materials.

We have also installed Combined Heat and Power (CHP) units at some leisure facilities. These units enable energy to be used more efficiently by converting excess heat into power to support the running of the facility.

We also work in partnership with our suppliers, local businesses and continue to benchmark ourselves within the leisure industry to develop new ways of working and adopt best practice.

Our sport and leisure centers have received Sandwell's Business Environmental Charter Award ranging from Bronze to Gold standard. This Award recognises the commitment by staff in reducing the centre's impact on the environment. This also demonstrates the sites commitment to supporting environmental issues at the facility and those of Sandwell as listed in Agenda 21.

THIRD PARTY INDEMNITY PROVISION FOR TRUSTEES

Qualifying third party indemnity provision is in place for the benefit of all trustees of the charity.

STATEMENT TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

STRATEGIC REPORT

SLT MAKING AN IMPACT FOR SANDWELL IN 2018/2019

We are non-profit distributing which means we reinvest 100% of any surplus to improve, maintain and deliver quality services for the whole community to enjoy, socialise in and become more active.

It is heartening to see that in a competitive market with challenging local demographics, SLT continues to deliver service improvements and exceed targets to increase participation in physical activity whilst improving the health and well-being of Sandwell.

Our customers are at the heart of everything we do and it is vital we continue to demonstrate the social impact we make by highlighting the testimonials and feedback of how the Trust is changing people's lives. Sandwell Council's vision is to create a more physically active Sandwell whilst driving the continuous improvement of key Public Health outcomes, SLT plays a leading role in the successful delivery of this vision and achievement of these outcomes.

We are delighted to be working in partnership with Sandwell Council on the new £60m Sandwell Aquatic Centre swimming facility opening 2022 and the £5.1m West Smethwick Park restoration, which includes a new pavilion building opening 2020, both to be managed by SLT.

None of our achievements would be possible without the commitment and hard work of all our employees, the effective leadership, expertise and innovation of our managers, our Board, and our key partnership with Sandwell Council. We thank everyone for their continued contribution and support.

OUR AIMS

- Maintain quality of services for Sandwell Residents
- Increase participation
- Increase attendances
- Staff satisfaction & well-being
- Maintain financial stability, whilst being well governed & eco friendly
- Continue to reduce subsidy
- Provide value for money
- Customer satisfaction
- Highest level health & safety
- Achieve & maintain external accreditations

OUR PRIORITIES

- Increasing income
- Maintaining/Improving quality
- Maintaining/Improving safety
- Reducing expenditure

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

SOCIAL IMPACT

SLT's core mission is to increase participation in physical activity and improve the health and well-being of the local and wider community. The Trust works hard to do this by providing a range of opportunities for more people to enjoy leisure in a safe and social way. Our headline performance demonstrates how we are doing this.

Overall memberships have increased to 68,674 which is up by 13%, 89% of members are Sandwell residents. Total attendances reached 2.61 million, up by 8% with 77% of attendees being Sandwell residents. There are over 130 local businesses and partners with our corporate membership for their employees which is up by 44%.

These figures support Sandwell's Vision 2030 Ambition 2 & 8.

Ambition 2 - Sandwell is a place where we live healthy lives and live them for longer, and where those of us who are vulnerable feel respected and cared for.

Ambition 8 - Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families.

SOCIAL PRESCRIBING SCHEME

The scheme has formalised the link between the Portway Family Practice and Portway Lifestyle Centre, in order to offer an integrated service to the local community. It is directly influenced by the needs of the patients of the GP practice and the local community, and will consider all aspects that are affecting their health and well-being.

Working together with colleagues from Sandwell West Birmingham CCG (Clinical Commissioning Group), the social prescription scheme targets the 3,500 patients within the practice, particularly those who are at risk of requiring secondary care intervention, with the aim that these patients will experience improved health and wellbeing and a reduction in their use of GP practice resources.

All patients signing up to the scheme have been provided a Portway Connected membership with unlimited access to swimming, group fitness and use of the gym, including monthly one to one sessions with the centres gym and fitness team. Whilst the scheme is still very much in its infancy, we have more than 80 patients who have signed up to the Portway Connect pass, and more than 1,000 active visits have been recorded.

The social prescription scheme targets 3,500 patients. The GP team, are very supportive of the pilot scheme, and offer their commitment, time and support, in developing a simplified referral system and measurements recording the health impacts the programme has on the individuals' health and well-being.

SANDWELL FREE SWIMMING

SLT delivers Sandwell's free swimming scheme at pools throughout Sandwell. Swimming is still one of the most popular activities for families and young people. This initiative helps residents aged 60+ and those aged 16 and under to access quality safe swimming locally in Sandwell.

73,439 Sandwell free swims have been delivered this year to those aged 16 and under or over 60.

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

SWIMMING, A LIFE SKILL FOR SANDWELL

The demand for swimming and learning to swim in Sandwell grows year on year. Swimming is both a vital life and social skill and we are proud to play a major role in the delivery of safe swimming in Sandwell.

SLT supports over 16,000 people learning to swim in Sandwell each year delivering over 190,000 swimming lessons. SLT works in partnership with the 'Swimming Teachers Association' (the STA), using their International Learn to Swim Awards. Our Swim Academy delivers lessons for parent and baby, parent and toddler, pre-school, school, young people, adults, and targeted sessions supporting people with disabilities. Over 10,500 school children from over 90 schools at key stage 1 and 2 receive swimming lessons with SLT in Sandwell each year with over 120,000 school lessons taught.

SLT's popular Junior Lifeguard Academy aims to 'progressively challenge' learners to attain survival and rescue skills that can save lives and provide opportunities also leading to employment with SLT. SLT delivers Pool Lifeguard and Swimming Teacher courses, targeting Sandwell residents throughout the year. Successful participants then have the opportunity to apply for employment opportunities with SLT. The trust has also funded professional start up fees to help local people start their career in leisure in Sandwell.

This supports Sandwell's Vision 2030 Ambition 4 & 8

Ambition 4 - Our children benefit from the best start in life and a high quality education throughout their school careers with outstanding support from their teachers and families.

Ambition 8 - Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families.

SANDWELL USERS ARE IN THE ZONE AND LEADING THE WORLD

Wearable technology is on trend helping more and more of us to track and improve our health. The introduction of myzone belts, worn whilst doing exercise, is proving to be a popular way of doing this with some very impressive findings for Sandwell.

The minimum physical activity recommendations set by the World Health Organization, recommends that healthy adults perform a minimum of 150 minutes of moderate intensity exercise per week or 75 minutes of vigorous-intensity exercise per week. This equates to 1300 Myzone Effort Points (MEPs) per month. Just over 50% of myzone users Globally regularly achieve this bench mark. Last year of SLT's 316 registered myzone users, 78% achieved or exceeded the World Health Organisation recommended levels of weekly exercise from Sandwell.

"The belt helps with tracking my progress & effort, my resting heart rate has dropped from 80-59 which is huge and shows me I'm getting fitter" – Jess, Tipton Leisure Centre member

"I love tracking my workouts with MyZone, its very addictive but also the habit of tracking my exercise and comparing them helps to keep me focused on hard I train, I've found MyZone more addictive than any other fitness trackers because its geared more towards your actual workout. I love the challenges that are set by the centre and the community spirit of it, seeing it on the screens in the gym and classes makes you push yourself harder, I think it's a fabulous addiction to SLT." – Jo, Portway Lifestyle Member

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

This supports Sandwell's Vision 2030 Ambition 2

Ambition 2 - Sandwell is a place where we live healthy lives and live them for longer, and where those of us who are vulnerable feel respected and cared for.

THE NATIONAL HINDU STUDENTS' FORUM AT TIPTON SPORTS ACADEMY

On Saturday 16th February 19, Tipton Sports Academy hosted the National Hindu Students' Forum (NHSF) for the 9th year running. The NHSF is comprised of over 4,000 Hindu students from 46 universities across the UK along with a network of alumni and professionals.

Around 750 Hindu university students and families attended the annual competition with students competing against each other in the traditional Indian Tag Games of Kho-Kho and Kabbadi as well as Football, Netball and Badminton.

The organisation engages in a variety of activities including campaigning and leadership development. It is run by volunteers who have professional careers and who are committed to encouraging Hindu youth to contribute more to society.

The sports competition is the National Final where winners from regional events competed with winners presented with awards by a senior Army Officer.

The Army has a mixed doubles badminton team that come from 37 Signal Regiment, a Redditch-based reserves unit. The Army also provided a 35-foot-high climbing wall for the students to take on and other fun games on the day and recruitment information at reception.

Soldiers from across the West Midlands talked with students, coming from units such as Coventry-based 159 Regiment Royal Logistic Corps and Stourbridge-based 63 Military Intelligence Company.

The day was a great success. Centre staff worked hard on the day and during the run up to the event, setting up equipment, cleaning, marking our netball courts etc so a big thank you to all staff who were involved. We look forward to hosting the event next year.

"The NHSF is always keen to have armed forces involvement in this competition because it understands the benefits of military leadership and values. We share the same values as the NHSF – honesty, integrity, and respect – and we are delighted to support them. We are looking forward to what should be a fantastic day" - Major James Eppleston, Army HQ Regional Command.

COUCH TO 5K

Couch to 5k is a nine week programme to support local people with very low fitness levels take that first step to a new healthier lifestyle. The classes take place in safe and enclosed running environments led by qualified and understanding fitness teams delivered boroughwide. The course includes a private online support group and is great value for money, removing cost as a barrier. Couch to 5k is helping families get fit together with family and disability friendly programmes available. The sessions give participants enough confidence to integrate into other SLT sessions.

"Did a couch to 5k with SLT Tipton Sports Academy and it was amazing!! Never been able to run before but it has always been a goal for me!! This programme not only helped me achieve that goal as I can now run a 5k but has also helped me lose weight which I had been struggling to do. Highly recommend!!"
- Elizabeth Houghton

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

"Yesterday I finished couch to 5k and 'graduated' from the coached course I completed with Sandwell leisure trust at Tipton sports academy. On the first class, I couldn't run for 1 minute without stopping I was so unfit. However, last night, only 8 weeks later, I ran for 5.27km (3.27 miles) without stopping. Not once. I was slower than a tortoise in peanut butter, but I ran all the way.

I'll be honest, there were tough moments when I thought I couldn't do it, but the camaraderie and support of #teamtipton got me through.

I wouldn't be where I am without this course, I'd have probably given up at week 4/5. But no. I can run 5k. Give it a go, you'll be amazed at what you can achieve if you believe in yourself and join a group activity!!" - Jenna Phillips.

"I took part in the Couch to 5k Programme at Haden Hill. The team of coaches were really supportive and created a relaxed friendly atmosphere where everyone was included regardless of ability"
Jen Stoneman.

"Three and a half years ago, I had a quadruple heart bypass and, could barely get out of the chair to make a coffee. It's been very hard to motivate myself to do any worthwhile structured exercise, that is until I joined the Tipton Couch to 5k group nine weeks ago, which I'm proud to say, I alongside about 80 others graduated this week. I can only offer praise to the coaches, especially Haley who spurred everyone on every week offering encouragement to us all. Completing this course has genuinely altered my life and my whole outlook to health and exercise and have even finished 2 x 5k Parkruns, something I could have only have dreamed of previously. So a big big thank you for giving me the opportunity and if I can do it, anyone can" - Martin Fennings.

THE RYLAND CENTRE

2018/19 proved another year of sustainability and growth, with a busy timetable of weekly activities for all ages that consistently hit maximum capacity.

In June 2018 we replaced and upgraded our gym equipment, adding industry favourites – Power Mill and cybex trainer. This has helped us retain and continue to grow our membership base. Along with the addition of new gym equipment we also purchased 5 additional spin bikes to help us retain and grow our group exercise members. 2018 was about making our business sustainable, to do this we have recruited more group fitness instructors to help us deliver an "on trend" fitness programme and assist with cover of our 60+ fitness class programme.

In January 2019 we launched our results based outdoor bootcamp and motivate sessions which are an additional fee to the monthly membership. We have had another year of working closely with our clubs now adding Adult dance classes, two back to netball sessions and a second junior athletics club.

Our c25k programme has gone from strength to strength since we launched four years ago. We have now launched couch to 1 mile with more of a family focus to encourage families and children to participate in activity together. In 2018 we welcomed Nordic walking group who use our outdoor facilities 4 mornings per week for training. We also welcomed two new day time badminton clubs.

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

"I love running round the track with the Ryland Runners. Everyone is so supportive and the track is a safe environment for me. At each session we do something different to improve on our fitness, running and stamina.

I started running on the track at the Ryland Centre in the autumn of 2018. I run there with the Ryland Runners, who are a super friendly and inclusive group that meet on a Thursday night.

I joined the group to help with my training for the 2019 London marathon as I was on a mission to go from couch to marathon in a year and needed all the help I could get!

I'm visually impaired and run there with the help of my guide runner Clare Weaver. I was very nervous when I first started, but it was great and I absolutely loved it.

Running there with the help of my guide and the group has really helped my confidence and played a big part in my marathon prep." - Ryland Runners member, Lizzie Tovey.

SCHOOLS AND OUTREACH

We offer bespoke programmes in Sandwell Schools to fulfil sport and pupil premium funding requirements, delivering fully inclusive activities for a variety of age groups from Early Years to Key Stage 4, reaching over 1,032 children and young people per week in 12 Schools.

We have worked in close partnership with local Community Operating Groups, Youth Services, local Police and the Fire Service to deliver Positive Behaviour Programmes, having a massive impact to help and support families and young people in Sandwell. We have achieved great success in our schools and community outreach sessions, inspiring children of all ages to get active and lead healthier lifestyles. Our aim for the future is to increase the number of schools that we deliver quality sessions to during the curriculum, lunchtime and after school.

We continue to work in partnership with Sandwell Council and other key agencies to set up and deliver a wide range of community based activities within parks and green spaces, throughout Sandwell. The SLT tennis development team delivered an impressive Schools and parks outreach project this year, supporting free coached activity for children and families, with over 1,000 participants in 12 Schools and within local parks.

We once again worked in partnership with The Princes Trust, delivering a tennis programme to disaffected young people from local Black Country schools. Plans are already in place to deliver a similar project in 2019. Our adult and junior teams had great success in the Staffordshire tennis leagues, with the Ladies A and Men's D teams both gaining promotion and the Men's A team coming runners up in the top Premier Division. Our mini tennis teams for children aged Under 8 and Under 9 both won the Staffordshire Team Tennis event.

The development programme at Tipton Sports Academy continued to go from strength to strength with approximately 450 children, young people and adults participating weekly.

This supports Sandwell's Vision 2030 Ambition 4.

Ambition 4 - Our children benefit from the best start in life and a high quality education throughout their school careers with outstanding support from their teachers and families.

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

BENSON PROJECT – CASE STUDY

The partnership between Benson Community Project (BCP) and Hadley Stadium (SLT) continues to go from strength to strength. The Soho & Victoria Ward has seen a decrease in reported Anti-Social Behaviour incidents of approximately 60% in the time that BCP has been located at Hadley Stadium. (Soho and Victoria Crime/ASB figures – Oct.2018).

Sandwell Leisure Trust took the decision to fund BCP with £8,000 in April 2018 and, with every £1.00 invested in sports programmes with disadvantaged young people resulting in a £7.00 saving to society, this equated to a £56,000 social return on investment. (Based on Kickz calculations on social value).

Over 500 local people were engaged every week on Benson Project with 70,369 sessions delivered, new sessions, such as Community Cycling "BikeAbility", Female only Community Football and Community Basketball now launching as well as the introduction of joint holiday activity programme, all of which are co-funded by SLT, the partnership has never been stronger and looks set to continue.

These figures support Sandwell's Vision 2030 ambitions 2, 5, 8 and 10.

Ambition 2 - Sandwell is a place where we live healthy lives and live them for longer, and where those of us who are vulnerable feel respected and cared for.

Ambition 5 - Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods.

Ambition 8 - Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families.

Ambition 10 - Sandwell now has a national reputation for getting things done, where all local partners are focused on what really matters in people's lives and communities.

OUR STAFF

Our employees are the most important ingredient in our success. We employ 480 people, 54% are Sandwell residents and the staff turnover for 2018/2019 was 12%. We are committed to their welfare and personal development. We offer very competitive terms of employment and have a robust Personal Appraisal Scheme.

We have an established learning and development investment fund and our commitment to spend on learning and development remains robust. SLT invested £47,000 including £30,000 linked to essential health and safety training to ensure staff continue to keep customers safe.

Disabled persons are not treated less favourably than a non-disabled person. Reasonable adjustments are made to give the disabled person as much access to any service and ability to be employed, trained, or promoted as a non-disabled person.

We communicate regularly with our employees through team meetings and Team Talk, our regular electronic newsletter. We regularly hold formal meetings with the recognised Trade Unions with whom we have a good working relationship.

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

Examples of continued learning:

- Continued learning through the SLT ELearning Suite, including Safeguarding and Data Protection
- Continued commitment to the health and wellbeing of the workforce with the use of the Staff Membership Card and also investing in over 25 managers becoming Mental Health First Aiders
- Provided financial support to new employees becoming pool lifeguard and swimming teacher qualified
- We utilised the £30,000 levy pot to upskill Relief Duty Managers on a Level 3 Management Apprenticeship Programme
- During 2018/2019, we invested over 30 different areas of training learning and development.
- Implemented new HR system, providing self-service for staff and managers, automating processes and reducing paper administration

We also provide a range of staff events supporting effective communication, learning and development and recognition. These events include Staff Learning Together – training day and Staff Conference.

Our staff membership scheme helps to maintain a healthy workforce and promotes advocates of the services we manage.

This supports Sandwell's Vision 2030 Ambition 3

Ambition 3 - Our workforce and young people are skilled and talented, geared up to respond to changing business needs and to win rewarding jobs in a growing economy.

AWARD WINNING SERVICES

Providing award-winning services is a priority for SLT. Maintaining and achieving external accreditation demonstrates how we are benchmarked within the leisure industry nationally, so our customers can be assured they are receiving the best quality, safe services.

RoSPA Gold Award

An ongoing commitment in ensuring the highest level of health and safety for all customers and staff is a top priority and we are delighted in maintaining the prestigious National RoSPA Gold Presidents Award. Awarded by the Royal Society for the Prevention of Accidents (RoSPA), internationally recognised and one of the most sought after safety accolades by organisations from every sector, not just the leisure industry.

Investors in People

Developed over 25 years and organisations that meet the World-recognised Standard reflect the very best in people management excellence.

"We would like to congratulate the organisation on retaining its IIP accreditation since 2004"
External assessor feedback.

Quest Accreditation

Importantly, we also maintain Quest accreditation, a continuous improvement tool and the leisure industry's only recognised Quality Assurance scheme for facility management and sports development designed to measure how effective organisations are. The scheme enables organisations to benchmark themselves with other leading operators nationally that is independently verified.

This supports Sandwell's Vision 2030 Ambitions 1 & 10.

Ambition 1 - Sandwell is a community where our families have high aspirations and where we pride ourselves on equality of opportunity and on our adaptability and resilience.

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2019

Ambition 10 - Sandwell now has a national reputation for getting things done, where all local partners are focused on what really matters in people's lives and communities.

OUR CUSTOMERS

"Lovely classes and lovely people, everything to keep you motivated!"

Kim Norris

"Portway is an amazing centre it caters for all ages and abilities. The centre is well known for its functional fitness, all the staff are so friendly and welcoming and so are many of the members, if you want a good vibe and workout with equally like-minded people and inspiring instructors. Then come to Portway."

Jo Shirvington

"I attend SLT fitness classes and the gym, along with playing netball outside of this yet I was unable to run more than a few minutes without needing to walk. I signed up to the couch to 5k programme with little expectation that this would change. On Wednesday I graduated having run the whole 5k without stopping in an amazing 36 mins. I am so proud of myself for sticking with it but couldn't have done it without the excellent support of Hayley and the SLT team along with the rest of the group. Highly recommend it to anyone... it really works!! Thanks SLT!"

Dawn Addis

"We take our children there for swimming. Lovely reception staff and outstanding swimming instructors who build up the children's confidence and develop their technique."

Sukhbinder Gosal

"Great Indoor Cycling class this morning at Wednesbury Leisure."

Amy Rhodes

"I love Portway. Parking is easy. The reception team always makes me feel welcome and nothing is too much trouble. I enjoy Bodypump with Luke. Awesome instructor who always motivated me. I also enjoy Bodyattack with both Luke and Di. Great atmosphere with great people and once track 4 is done, it is all up hill."

Sarah Morris

"Good place to go workout at and a good place to go play football with mates."

Bandon Lee Hickman

"It is a nice pleasant gym and there's a great swimming pool. Staff are brilliant, excellent service! Gym staff are also very friendly and always happy to help. I joined a few years ago and with support from the centre I have lost a lot of weight. They have a good selection of classes too. I rate the gym 5 stars! It's local and convenient, keep up the good work!"

Suki Sagoo

"I have just taken up playing badminton and the centre is well equipped in terms of the number of courts available. It's clean and tidy. The staff are welcoming and friendly."

Tina Clarke

"Great facilities at a price accessible to the locals. The 4G football pitch is second to none!"

Kane Thomas

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

"I did my first Aquafit session yesterday and really enjoyed it. The staff are really friendly and the other ladies in the group were welcoming too."

Rachel Owlhoot

SOCIAL FOLLOWERS

This year the SLT website received 260,845 unique visitors. Our Facebook average monthly reach was 708,689 an increase of 31% and our total page followers reached 9,557 an increase of 33%.

Twitter and Instagram also received a great audience with 1,057,305 annual total twitter impressions, and 6,778 followers, an increase of 7%. The SLT Instagram page now has 4,713 followers an increase of 110%.

At the start of 2019 SLT implemented a new year campaign using customers who use a variety of SLT centres. One such model was Alex from Old Hill, she is a secondary school teacher and a One Card member at Haden Hill Leisure Centre. Alex loves working out with SLT and was delighted to be part of our campaign.

CHANGING LIVES

Emma's Story

Emma, from Sandwell is one of our many loyal ONE card members. She kindly shared with us her fitness journey and how she has progressed through classes to build self-confidence to take on more personal challenges.

"I started my membership back in 2011 as I was overweight and unhappy. To start with I found comfort in the group classes as I knew I wasn't alone and everyone was so friendly. Once I started to feel more confident in myself I started training with the gym instructors and enjoying the one to one sessions that SLT provide. Weight training and cardio fitness classes are my go to regime now and it feels great knowing I am still strong. Training has given me confidence to go for hikes and also climb Snowdon."

I was overweight and unhappy with how I looked and how I felt, joining SLT gave me a newfound confidence and faith that my body was capable of much more. The staff and Team at the centres are great and some of them have become my good friends. I keep in touch with some of them via social media and it's nice to catch them in the gym for a training session."

I chose SLT as I had always used the swimming pool at Haden Hill Leisure Centre growing up and it's just around the corner. During my commute from work I also pass Portway Lifestyle Centre which I really like going to also. The Gym facility there is brilliant."

Training at SLT has helped me with my strength and conditioning training, which is needed as I currently play for the Sandwell Steelers Women's American Football Team. The sport is hard going on the joints so the conditioning and Yoga classes are a god send after a game day!"

Sharona's Story

Sharona Freeman has lost over 12 stone during her weight loss journey and attends Portway Lifestyle Centre 3-4 times a week to maintain her weight loss and develop her fitness routine with the help of the gym team.

"When I lost weight in the past, I never really stuck to any exercise routine and hated the thought of going to the gym. My best friend regularly attended indoor cycling classes and encouraged me to go with her. I couldn't keep up with the class, or do any of the extra moves and had jelly legs when I came

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

out. I wasn't hooked straight away and if it hadn't have been for the support of my friends I would have probably given up. I persevered and gradually was able to complete the class without stopping. I started to get a kick out of challenging myself that little bit more each time, which opened my eyes to trying other forms of exercise.

When I joined Portway the staff were so welcoming, they really do take an interest in you as an individual and want you to achieve your goals. I thought I would feel uncomfortable but atmosphere is great. I have made it a habit of attending Portway 3 to 4 times a week. I also follow the team on social media as they post some great articles and exercise videos which I do at home when I can't make it to the gym.

I set myself little challenges to either increase the weights I'm lifting over time, increase the time I spend exercising, or try something new. Doing this and tracking my progress with Myzone helps me achieve my goals. I've noticed a massive difference in my muscle tone and improvement in what I can do physically. Exercise is a fantastic stress buster too, if things are getting too much for me I can guarantee I'll feel a 100% better after a workout"

WHAT IS SLT'S PURPOSE?

The purpose of Sandwell Leisure Trust (SLT) is to encourage and increase participation in physical activity, sport and leisure by the whole community. SLT is non-profit distributing which means as a trust and charity we reinvest 100% of any surplus to improve, maintain and deliver quality services for the whole community to enjoy, socialise in and become more active.

What are the direct and public benefits flowing from SLT's purpose?

The direct benefits that flow from SLT's overall purpose is to improve the health and well-being of the wider community in Sandwell, reduce the social isolation of its citizens through group physical activity and deliver sustainable sport and leisure services for future generations to enjoy.

The public benefits that flow from this purpose are:

- (a) an enhanced quality of life and sense of well-being through engagement with and participation in activities and events that bring people together, leading to improvements in physical and emotional well-being, quality of life and a more stable and cohesive community;
- (b) Increased opportunities to engage in new physical activities that bring people together, leading to greater social cohesion and fulfilment;
- (c) Enhanced active citizenship and involvement in community life.

How can these benefits be identified and measured?

These benefits can be identified through case study examples of how SLT is changing people's lives and measured by the sustained increase in participation in physical activity, sport and leisure throughout Sandwell.

Is there any harm arising from any of the purposes?

No harm arises from SLT's purpose, the beneficiaries are the general public and locally-based community and voluntary organisations, and that no private benefit arises from these purposes. The objects of SLT is to promote the benefits without distinction of sex, race or political, religious or other opinions. SLT will, where possible, use local suppliers and employ people from the diverse local community, therefore supporting the local economy of Sandwell and will adopt efficient and environmentally friendly processes to optimise the best possible use of resources.

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2019

INVESTMENT POLICY

We have in our Memorandum & Articles of Association the power to make investments to fund the activities of the Trust. The level of investment is to be determined by the level of surplus cash available compared with the demand for resources required for the operation of services provided by the Trust. We invest any surplus cash (not needed to meet immediate liabilities) with SMBC Corporate Finance under a Service Level Agreement. The SLA guarantees the Trust a rate of 0.3% below base rate on the day of investment on all balances and is virtually risk free.

RESERVES POLICY

The Board's current policy is to maintain an uncommitted reserve of £500k to protect against downside cost risks identified in our risk register. We are currently using planned accumulated surpluses to help meet the management fee reductions. The Board recognises that this is not sustainable in the long term and is working with SMBC about the level of service that can be provided in the long term with the available management fee. At 31 March 2019, the charity had uncommitted reserves (being net current assets, less restricted funds) of £2,442,493 (2018: £1,712,850).

The uncommitted reserves are earmarked for:

- Delivery of the agreed Business plan 2019-22 - £1,022.9k
- SLT's partnership investment into the new Sandwell Aquatics centre opening 2022 - £540k
- Investing £150k in a new E.P.O.S system which will drive innovation, support increasing attendances and thereby grow income which will help SLT in reducing the Management fee.
- Investing £100k in new energy efficiency projects across SLT facilities which will lead to reduced carbon footprint, reduced energy costs, which again will help to reduce the Management fee.
- The Ryland repair Fund - £129.6k

Revised earmarked reserves after considering the above would be £1,942.5k, leaving uncommitted reserves of £500k by the end of 2022 as per our reserves policy.

A key element of the overall financial position of the Trust is the long-term affordability of its pensions' obligations to its employees. FRS 102 calculations within the financial statements are based on returns on Government Gilt Edged stock (gilts). At the year end, because market interest rates are at a 30 year low gilts are showing a very low rate of return. The pension charge calculations within our accounts are based on this calculation. FRS 102 is based on taking the current rate of return, whatever that is, and assuming it will be maintained for thirty years. During a down-turn this can produce what could be considered an overly pessimistic forecast of pension fund returns and potentially an overstated estimate of pension fund liabilities within the statutory accounts.

The West Midland's pension fund actuary calculates employer contribution rates using a wider range of assets that better reflect current and future market conditions. These calculations are therefore much more driven by the overall long-term state of the market and the result is that they assume lower levels of contribution from the trust are needed to meet the pension fund obligations.

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2019

FINANCIAL PERFORMANCE

A set of KPIs are agreed and monitored by the Board.

The results for the year are shown in the Statement of Financial Activities on page 23.

Income has increased year on year by over £200k despite a reduction in management fee, however the increase in 2019 compared to 2018 is primarily due to the continued growth in our swim academy, memberships, and the one-off rebate from HMRC relating to the treatment of exempt income.

The largest contributor to the decrease in charitable expenditure is employee related and is due to the reduction in staff numbers due to staff turnover. This was partly offset by the implementation of the living wage.

The Statement of Financial Activities shows net expenditure for the charity of £241,455 (2018: net expenditure of £1,125,273) before actuarial adjustments required to account for participation in the local government pension scheme.

The net result after these adjustments was a net increase in funds of £867,543 (2018: net increase in funds of £26,727).

At 31 March 2019, the charity had net liabilities of £6,685,400 (2018: net liabilities of £7,552,943) of which £25,887 were restricted funds, £540,000 were designated funds, £3,132,713 were held as unrestricted charitable funds, and a deficit of £10,384,000 represented the charity's share of the deficit in the local government pension scheme.

GOING CONCERN

The accounts have been prepared on a going concern basis. Having carried out a detailed review of the Charity's resources and the challenges presented by the current economic climate, the Trustees are satisfied that the Charity has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of the approval of the accounts.

The Trustees in discussion with Sandwell Council have confirmed the level of funding for the current year and future years up to and including 2019/20.

FUTURE DEVELOPMENTS

The Trust is currently supporting the Local Authority with a Built Facilities Strategy as part of an overall borough strategy to support improvements in Health and education, growing employment opportunities and providing good quality services.


SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2019

TRUSTEES REPORT APPROVAL

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities.

In preparing this report the trustees have had due regard to the Charity Commission Guidance on public benefit.

The Trustees' Report, incorporating both the Strategic Report and the Governance Report, is approved by the Trustees, by whose authority it is signed below:



L BATEMAN

Chair

10 September 2019

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2019

Statement of Trustees' responsibilities

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL LEISURE TRUST

Opinion

We have audited the financial statements of Sandwell Leisure Trust (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 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 the 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 Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL LEISURE TRUST

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, 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 <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.



Paul Oxtoby (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

18 September 2019

SANDWELL LEISURE TRUST
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2019

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|---|------|----------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Charitable activities | 2 | 10,647,308 | - | 10,647,308 | 10,340,524 |
| Other trading activities | | 329,200 | - | 329,200 | 318,047 |
| Investments | | 13,076 | - | 13,076 | 2,150 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total income | | 10,989,584 | - | 10,989,584 | 10,660,721 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditure on: | | | | | |
| Raising funds | 3 | 154,003 | - | 154,003 | 155,817 |
| Charitable activities | 3 | 11,068,867 | 8,171 | 11,077,038 | 11,630,177 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditure | | 11,222,870 | 8,171 | 11,231,041 | 11,785,994 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net expenditure for the year | 1 | (233,286) | (8,171) | (241,455) | (1,125,273) |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Other recognised gains and losses | | | | | |
| Actuarial gains on defined benefit pension scheme | 17 | 1,109,000 | - | 1,109,000 | 1,152,000 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net movement in funds | | 875,714 | (8,171) | 867,543 | 26,727 |
| Funds at 1 April 2018 | | (7,587,001) | 34,058 | (7,552,943) | (7,579,670) |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Funds at 31 March 2019 | | (6,711,287) | 25,887 | (6,685,400) | (7,552,943) |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

The income and expenditure for the year arise from the charity's continuing operations.

All gains and losses recognised in the year are included above.

SANDWELL LEISURE TRUST
BALANCE SHEET
31 March 2019

Company Registration No: 05011501

| | Note | 2019 £ | 2018 £ |
|---|------|--------------|--------------|
| Fixed assets | | | |
| Tangible fixed assets | 5 | 1,230,220 | 1,325,149 |
| Current assets | | | |
| Stocks | 6 | 34,507 | 44,289 |
| Debtors | 7 | 196,492 | 128,492 |
| Cash at bank and in hand | | 3,947,511 | 3,355,775 |
| | | 4,178,510 | 3,528,556 |
| Creditors: amounts falling due within one year | 8 | (1,710,130) | (1,781,648) |
| Net current assets | | 2,468,380 | 1,746,908 |
| Net assets excluding pension scheme liability | | 3,698,600 | 3,072,057 |
| Defined benefit pension scheme liability | 17 | (10,384,000) | (10,625,000) |
| Net (liabilities) including pension scheme liability | | (6,685,400) | (7,552,943) |
| Represented by: | | | |
| Restricted funds | 10 | 25,887 | 34,058 |
| Unrestricted funds: | | | |
| Pension fund | 11 | (10,384,000) | (10,625,000) |
| General funds | 12 | 3,132,713 | 3,037,999 |
| Designated funds | 13 | 540,000 | - |
| Total (deficit) | | (6,685,400) | (7,552,943) |

The financial statements on pages 23 - 40 were approved by the board of trustees and authorised for issue on 10 September 2019 and are signed on its behalf by:


L BATEMAN
Chair

SANDWELL LEISURE TRUST
STATEMENT OF CASH FLOWS
For the year ended 31 March 2019

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Cash flows from operating activities: | | |
| Net cash provided by/(used in) operating activities | 802,705 | (120,640) |
| Cash flows from investing activities: | | |
| Interest | 13,076 | 2,150 |
| Purchase of tangible fixed assets | (224,045) | (252,314) |
| Net cash (used in) investing activities | (210,969) | (250,164) |
| Increase/(decrease) in cash and cash equivalents in the year | 591,736 | (370,804) |
| Cash and cash equivalents at the beginning of the year | 3,355,775 | 3,726,579 |
| Total cash and cash equivalents at the end of the year | 3,947,511 | 3,355,775 |

RECONCILIATION OF NET (EXPENDITURE) TO NET CASH FLOWS
FROM OPERATING ACTIVITIES

| | 2019 £ | 2018 £ |
|---|-----------|-------------|
| Net (expenditure) as per the SOFA | (241,455) | (1,125,273) |
| Depreciation | 318,974 | 294,077 |
| Interest | (13,076) | (2,150) |
| Decrease/(increase) in stocks | 9,782 | (10,040) |
| (Increase)/decrease in debtors | (68,000) | 77,296 |
| Decrease in creditors | (71,520) | (368,550) |
| Defined benefit pension scheme | 868,000 | 1,014,000 |
| Net cash provided by/(used in) operating activities | 802,705 | (120,640) |

SANDWELL LEISURE TRUST ACCOUNTING POLICIES

GENERAL INFORMATION

Sandwell Leisure Trust is a charity, registered with the Charity Commission in England and Wales, and a private company limited by guarantee, incorporated in England. The address of the Charity's registered office is Carnegie Building, Victoria Road, Tipton, West Midlands, DY4 8SR.

Its principal activity is the managing of sports and leisure centres in Sandwell.

BASIS OF ACCOUNTING

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £ unless otherwise stated.

Sandwell Leisure Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below:

GOING CONCERN

The financial statements have been prepared on a going concern basis. Having carried out a detailed review of the Charity's resources and the challenges presented by the current economic climate, the Trustees are satisfied that the Charity has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of the approval of the financial statements.

There are no significant financial uncertainties that the Trustees consider are a significant risk to the ability of the Charity to trade as a going concern in the foreseeable future.

INCOME

Other trading activities

Income from the operation of catering facilities is included in income in the period in which the charity becomes entitled to the receipt.

Income from charitable activities

All income (predominantly from the operation of sports centres and the golf course) is recognised in the period in which it is earned (that is, as the related goods or services are provided).

Grants receivable

Revenue and capital grants receivable are recognised in the Statement of Financial Activities when conditions attaching to the grant are satisfied. Grants receivable for capital expenditure are maintained in a restricted fund to which depreciation of the relevant asset is charged.

Membership income

Income from Membership (Golf Season Tickets and One Card) is recognised over the period covered by the Membership.

Income from investments

Investment income is recognised on a receivable basis.

SANDWELL LEISURE TRUST ACCOUNTING POLICIES

Other income

Other income is recognised as earned.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is recognised in the period in which the liability is incurred. Expenditure includes attributable VAT, which cannot be recovered.

Expenditure on charitable activities is allocated to the particular activity where the cost relates directly to that activity. Where costs are attributable to more than one activity, the costs are apportioned across those activities on the basis of an estimate of their usage.

Governance costs are those costs incurred in connection with administration of the Trust and compliance with constitutional and statutory requirements.

FUNDS

Funds held by the Trust are either:

- Unrestricted general funds – these are funds, which can be used in accordance with the charitable objects at the discretion of the trustees.
- Pension fund (unrestricted) – these are funds representing the defined benefit pension scheme obligation.
- Designated funds – these are unrestricted funds that have been set aside by the Trustees for particular purposes. These funds are reviewed annually.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each restricted fund is included in the notes to the financial statements.

TANGIBLE FIXED ASSETS

Individual fixed assets costing more than £1,000 are capitalised at cost. Fixed assets are stated at historical cost, less accumulated depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets (excluding freehold land) at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

| | |
|---------------------|-------------|
| Plant and Machinery | 7 years |
| Sports Equipment | 3 - 5 years |
| IT Equipment | 3 years |
| Office Equipment | 5 years |

The Trust charges a full year's depreciation in the year of acquisition and no depreciation in the year of disposal.

Refurbishment works are capitalised and written off over the estimated life of the scheme from the date the project is complete and open to the public. Refurbishment works are depreciated over their expected useful life of 10 years.

STOCKS

The Trust holds sports equipment for resale (e.g. swimming goggles) and vending stock.

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete and slow moving items.

SANDWELL LEISURE TRUST ACCOUNTING POLICIES

LEASED ASSETS AND OBLIGATIONS

All leases are operating leases and the annual rentals are expensed on a straight-line basis over the lease term.

RETIREMENT BENEFITS

For defined benefit schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the SOFA.

Defined benefit schemes are funded, with the assets held separately from the charitable company in separate trustee administered funds.

Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit credit method and discounted at the current rate of return. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

FINANCIAL INSTRUMENTS

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of a financial nature. Such financial instruments, except for investments classified at fair value through the Statement of Financial Activities, are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Fees receivable are recognised at the settlement amount due after any trade discounts offered.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and monies on short term deposit, at the bank and other short-term liquid investments with original maturities of three months or less.

Creditors

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

SANDWELL LEISURE TRUST

ACCOUNTING POLICIES

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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 discussed below.

Defined Benefit Pension Scheme Actuarial assumptions

The present value of the defined benefit pension scheme liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

| 1 | NET EXPENDITURE | 2019 £ | 2018 £ |
|---|---|-----------|-----------|
| | Net expenditure is stated after charging: | | |
| | Depreciation of tangible fixed assets: | | |
| | Owned assets | 318,974 | 294,077 |
| | Operating lease rentals | | |
| | - plant and machinery | 4,178 | 3,704 |
| | Auditor's remuneration | | |
| | - as auditor | 13,809 | 13,600 |
| | - other services – VAT advice | 5,100 | 28,000 |
| | Internal audit | 20,794 | 16,585 |
| | Amount of stock recognised as an expense | 149,875 | 153,022 |

2 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ | Total Funds 2018 £ |
|--|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Income from operation of sports facilities | 7,893,070 | - | 7,893,070 | 7,319,935 |
| Grants | 2,754,238 | - | 2,754,238 | 3,020,589 |
| | 10,647,308 | - | 10,647,308 | 10,340,524 |

3 ANALYSIS OF TOTAL EXPENDITURE

| | Unrestricted Funds £ | Pension Reserve £ | Restricted Funds £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---------------------------------|----------------------------|-------------------------|--------------------------|-----------------------------|-----------------------------|
| Other trading activities | | | | | |
| Cost of goods sold | 149,875 | - | - | 149,875 | 153,022 |
| Other | 4,128 | - | - | 4,128 | 2,795 |
| | 154,003 | - | - | 154,003 | 155,817 |
| Charitable activities | | | | | |
| Staff costs | 6,409,669 | 600,000 | - | 7,009,669 | 7,284,738 |
| Other employee costs | 383,365 | - | - | 383,365 | 267,841 |
| Premises | 1,268,079 | - | - | 1,268,079 | 1,615,782 |
| Transport | 50 | - | - | 50 | 1,104 |
| Professional fees | 76,700 | - | - | 76,700 | 45,198 |
| Depreciation | 318,974 | - | - | 318,974 | 294,077 |
| Other | 1,693,134 | 268,000 | 8,171 | 1,969,305 | 2,075,527 |
| Governance costs | 50,896 | - | - | 50,896 | 45,910 |
| | 10,200,867 | 868,000 | 8,171 | 11,077,038 | 11,630,177 |

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

3 ANALYSIS OF GOVERNANCE COSTS

| | Unrestricted Funds | Pension Reserve | Restricted Funds | Total Funds 2019 | Total Funds 2018 |
|--|-------------------------------|----------------------------|-----------------------------|---------------------------------|---------------------------------|
| | £ | £ | £ | £ | £ |
| Legal costs | 34,603 | - | - | 34,603 | 30,185 |
| Trustee indemnity insurance | 1,109 | - | - | 1,109 | 679 |
| Staff costs relating to preparation and attendance at trustee meetings | 14,724 | - | - | 14,724 | 14,390 |
| Other | 460 | - | - | 460 | 656 |
| Total | 50,896 | - | - | 50,896 | 45,910 |

Staff costs have been allocated in accordance with the percentage of time spent by employees. All other costs have been allocated on a direct basis.

4 TRUSTEES AND EMPLOYEES

No remuneration is paid to any trustee (director) in respect of their service as Trustees. No expenses were reimbursed to trustees (2018: no trustees) during the period (2018: £nil). Trustee indemnity insurance of £1,109 (2018: £679) was purchased during the year.

| | 2019 £ | 2018 £ |
|--|------------------------|------------------------|
| Staff costs | | |
| Wages and salaries | 5,368,780 | 5,513,649 |
| Social security costs | 383,879 | 386,212 |
| Pension costs | 1,271,734 | 1,399,267 |
| | 7,024,393 | 7,299,128 |
| | | |
| | 2019 Number | 2018 Number |
| Average number of persons employed, including executive directors (FTE) | 167 | 174 |
| | | |
| Average number of persons employed, including executive directors (head count) | 475 | 554 |

These employees carry out a variety of duties including direct charitable, management and administration tasks.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

4 TRUSTEES AND EMPLOYEES (CONTINUED)

One (2018: one) employee earned in excess of £60,000 during the period. This employee earned between £80,000 and £90,000 (2018: One).

Pension contributions in respect of higher paid staff amounted to £13,044 (2018: £12,240). One higher paid staff member is accruing benefits under the defined benefit pension scheme.

Remuneration paid to key management personnel (including the above, employer's pension contributions and employer's National Insurance) was £239,918 (2018: £226,872).

There were no redundancy and termination payments paid during the period (2018: £52,039).

One employee served as a Trustee. The total remuneration during the period (including employer's pension contributions, employer's National Insurance, redundancy & termination costs) was £18,399 (2018: £69,857). No other remuneration was paid to a Trustee.

5 TANGIBLE FIXED ASSETS

| | Freehold land £ | Refurbishment costs £ | Plant & Machinery £ | Sports Equipment £ | IT & Office Equipment £ | Total £ |
|----------------------------|--------------------------------|--------------------------------------|--|-----------------------------------|--|--------------------|
| Cost | | | | | | |
| At 1 April 2018 | 467,826 | 2,033,800 | 138,241 | 1,055,971 | 798,902 | 4,494,740 |
| Additions | - | 27,917 | 26,808 | 145,624 | 23,696 | 224,045 |
| | | | | | | |
| 31 March 2019 | 467,826 | 2,061,717 | 165,049 | 1,201,595 | 822,598 | 4,718,785 |
| | | | | | | |
| Depreciation | | | | | | |
| At 1 April 2018 | - | 1,485,075 | 108,803 | 804,892 | 770,821 | 3,169,591 |
| Charge for year | - | 168,674 | 15,216 | 112,080 | 23,004 | 318,974 |
| | | | | | | |
| 31 March 2019 | - | 1,653,749 | 124,019 | 916,972 | 793,825 | 3,488,565 |
| | | | | | | |
| Net book amount | | | | | | |
| 31 March 2019 | 467,826 | 407,968 | 41,030 | 284,623 | 28,773 | 1,230,220 |
| | | | | | | |
| 31 March 2018 | 467,826 | 548,725 | 29,438 | 251,079 | 28,081 | 1,325,149 |

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

6 STOCKS

| | 2019 £ | 2018 £ |
|------------------|-----------|-----------|
| Goods for resale | 34,507 | 44,289 |

7 DEBTORS

| | 2019 £ | 2018 £ |
|---------------|----------------|----------------|
| Trade debtors | 133,743 | 99,384 |
| Other debtors | 15,718 | 10,351 |
| Prepayments | 47,031 | 18,757 |
| | <u>196,492</u> | <u>128,492</u> |

Included within other debtors above are amounts due after more than one year of £10,246 (2018: £7,874) in respect of car loans to staff who qualify under their Terms and Conditions of Service.

8 CREDITORS: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 106,479 | 62,997 |
| Other taxation and social security | 194,193 | 211,408 |
| Other creditors | 78,006 | 78,214 |
| Accruals and deferred income | 1,331,452 | 1,429,029 |
| | <u>1,710,130</u> | <u>1,781,648</u> |

9 DEFERRED INCOME

| | £ |
|-----------------------------|---------------|
| Balance as at 1 April 2018 | 61,481 |
| Amount released to income | (61,481) |
| Amount deferred in the year | 65,595 |
| | <u>65,595</u> |
| Balance as at 31 March 2019 | <u>65,595</u> |

Deferred income represents prepaid membership income for the coming year.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

10 RESTRICTED FUNDS

The funds of the charity include restricted funds held on trust to be applied for specific purposes.

| | Balance 1 April 2018 £ | Movement in Funds | | | Balance 31 March 2019 £ |
|--------------------------|---------------------------------|-------------------|------------------|----------------|----------------------------------|
| | | Income £ | Expenditure £ | Transfers £ | |
| Physical Activity Board | 11,037 | - | - | - | 11,037 |
| Street Games | 12,420 | - | - | - | 12,420 |
| Youth Opportunities Fund | 8,171 | - | (8,171) | - | - |
| Active Citizens | 2,430 | - | - | - | 2,430 |
| Total | 34,058 | - | (8,171) | - | 25,887 |

Physical Activity Board

This fund represents the contributions to the Physical Activity Board from SLT and other partners such as PCT, and Sport Colleges to support work in the voluntary sector.

StreetGames

The grant from StreetGames will be used to fund activity in partnership with StreetGames, including weekly activity for local young people in sports which may include football, basketball, cricket, street cheer, cycling etc. In addition, school holiday sports programmes and events such as bmxing festival. The activity will be focused on the most deprived areas of West Bromwich, Smethwick, Tipton, Rowley and Oldbury.

Youth Opportunities Fund

This funding supported delivery of football tournaments for children in school years 7-11.

Active Citizens

This grant is from the Police and is aimed at intervention around physical activity for non-sporty girls. Motivational programmes are developed for girls not achieving, or with behavioural problems, life issues, poor school attendances etc.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

11 PENSION FUND

| | 2019 | 2018 |
|-------------------------|--------------|--------------|
| | £ | £ |
| 1 April 2018 | (10,625,000) | (10,763,000) |
| Pension contributions | 730,000 | 645,000 |
| Current service cost | (1,298,000) | (1,358,000) |
| Past service cost | (22,000) | - |
| Net return on assets | (268,000) | (292,000) |
| Actuarial gain | 1,109,000 | 1,152,000 |
| Administrative expenses | (10,000) | (9,000) |
| | <hr/> | <hr/> |
| 31 March 2019 | (10,384,000) | (10,625,000) |
| | <hr/> | <hr/> |

12 UNRESTRICTED GENERAL FUNDS

| | 2019 | 2018 |
|-----------------------------|-------------|-------------|
| | £ | £ |
| 1 April 2018 | 3,037,999 | 3,115,697 |
| Net income/(expenditure) | 634,714 | (77,698) |
| Transfer to designated fund | (540,000) | - |
| | <hr/> | <hr/> |
| 31 March 2019 | 3,132,713 | 3,037,999 |
| | <hr/> | <hr/> |

General Funds include an amount for the Ryland Repair Fund.

13 DESIGNATED FUNDS

| | 2019 | 2018 |
|--|-------------|-------------|
| | £ | £ |
| 1 April 2018 | - | - |
| Transfer from unrestricted general funds | 540,000 | - |
| | <hr/> | <hr/> |
| 31 March 2019 | 540,000 | - |
| | <hr/> | <hr/> |

Sandwell Aquatics Fund

During the year, the trustees designated £540,000 to help support the council in the delivery of the Sandwell Aquatics Centre.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

14 ANALYSIS OF NET ASSETS/(LIABILITIES) BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Tangible fixed assets | 1,230,220 | - | 1,230,220 | 1,325,149 |
| Stocks | 34,507 | - | 34,507 | 44,289 |
| Debtors | 196,492 | - | 196,492 | 128,492 |
| Cash at bank and in hand | 3,921,624 | 25,887 | 3,947,511 | 3,355,775 |
| Creditors due within one year | (1,710,130) | - | (1,710,130) | (1,781,648) |
| Defined benefit pension scheme liability | (10,384,000) | - | (10,384,000) | (10,625,000) |
| Net assets/ (liabilities) | (6,711,287) | 25,887 | (6,685,400) | (7,552,943) |

15 COMMITMENTS UNDER OPERATING LEASES

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| At 31 March 2019 the company had total future commitments under non-cancellable operating leases as follows: | | |
| Plant and machinery: | | |
| Amounts due within one year | 42,720 | 45,786 |
| Amounts due within one to five years | 4,192 | 8,312 |
| | <u>46,912</u> | <u>54,098</u> |

16 TAXATION

The company, which is a registered Charity, is exempt from taxation on its charitable activities.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

17 PENSION COSTS

Defined benefit scheme

The Trust participates in a pension scheme operated by the West Midlands Pension Fund. The West Midlands Pension Fund is a funded scheme, with the assets held in separate trustee administered funds.

There were outstanding contributions of £74,326 (2018: £70,637) at the year end, included within other creditors.

The Charity expects to make contributions in the year ended 31 March 2020 of £611,000.

The following information is based upon a full actuarial valuation of the Fund at 31 March 2017 updated to 31 March 2019 by a qualified independent actuary.

| | At 31 March 2019 | At 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Rate of increase in salaries | 3.9% | 3.8% |
| Rate of increase in pensions in payment | 2.4% | 2.3% |
| Discount rate | 2.45% | 2.6% |
| Inflation assumption | 2.4% | 2.3% |

The current mortality assumptions included sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

| | At 31 March 2019 | At 31 March 2018 |
|------------------------|-----------------------------|-----------------------------|
| Retiring today:- | | |
| Males | 20.9 | 21.9 |
| Females | 23.2 | 24.3 |
| Retiring in 20 years:- | | |
| Males | 22.6 | 24.0 |
| Females | 25.0 | 26.6 |

The fair value of the assets in the scheme was:

| | 2019 £000 | 2018 £000 |
|----------------------------|----------------------|----------------------|
| Equities | 14,074 | 14,083 |
| Government Bonds | 1,830 | 1,610 |
| Other Bonds | 929 | 843 |
| Property | 2,176 | 1,697 |
| Cash | 1,266 | 542 |
| Other | 4,043 | 3,259 |
| | <hr/> | <hr/> |
| Total fair value of assets | 24,318 | 22,034 |
| | <hr/> | <hr/> |

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

17 PENSION COSTS (continued)

| | 2019 £000 | 2018 £000 |
|--|----------------------|----------------------|
| Trust's estimated asset share | 24,318 | 22,034 |
| Present value of scheme liabilities | (34,702) | (32,659) |
| | <hr/> | <hr/> |
| Deficit in the scheme | (10,384) | (10,625) |
| | <hr/> | <hr/> |
| ANALYSIS OF THE AMOUNT CHARGED TO STATEMENT OF FINANCIAL ACTIVITIES | 2019 £000 | 2018 £000 |
| Employer contributions | 730 | 645 |
| Current service cost | (1,298) | (1,358) |
| Past service cost | (22) | - |
| Net interest cost | (268) | (292) |
| Administration expenses | (10) | (9) |
| | <hr/> | <hr/> |
| | (868) | (1,014) |
| | <hr/> | <hr/> |
| Analysis of the amount charged to actuarial gains on defined benefit pension scheme | 2019 £000 | 2018 £000 |
| Remeasurements (assets) | 1,205 | (595) |
| Change in demographic assumptions | 2,081 | - |
| Changes in assumptions | (2,177) | 1,747 |
| | <hr/> | <hr/> |
| Actuarial gain recognised in SOFA | 1,109 | 1,152 |
| | <hr/> | <hr/> |

Cumulative actuarial gains/(losses) recognised in the SOFA totalled (£3,183,000) (2018: £4,292,000 loss).

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Movement in deficit during year | | |
| Deficit in scheme at beginning of year | (10,625) | (10,763) |
| Movement in year: | | |
| Current service cost | (1,298) | (1,358) |
| Past service cost | (22) | - |
| Contributions | 730 | 645 |
| Net return on assets | (268) | (292) |
| Actuarial gain | 1,109 | 1,152 |
| Administrative expenses | (10) | (9) |
| | <hr/> | <hr/> |
| Deficit in scheme at end of year | (10,384) | (10,625) |
| | <hr/> | <hr/> |

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

17 PENSION COSTS (continued)

Asset and Liability reconciliation

| | 2019 | 2018 |
|---------------------------------------|-------------|-------------|
| | £000 | £000 |
| Reconciliation of liabilities: | | |
| Liabilities at start of year | 32,659 | 32,297 |
| Current service cost | 1,298 | 1,358 |
| Interest cost | 847 | 902 |
| Member contributions | 247 | 244 |
| Return on assets less interest | 2,177 | (1,747) |
| Change in demographic assumptions | (2,081) | - |
| Benefits paid | (467) | (395) |
| Past service cost | 22 | - |
| | <hr/> | <hr/> |
| Liabilities at the end of year | 34,702 | 32,659 |
| | <hr/> | <hr/> |
| Reconciliation of assets: | | |
| Assets at start of year | 22,034 | 21,534 |
| Interest on plan assets | 579 | 610 |
| Actuarial gains/(losses) | 1,205 | (595) |
| Administrative expenses | (10) | (9) |
| Employer contributions | 730 | 645 |
| Member contributions | 247 | 244 |
| Benefits paid | (467) | (395) |
| | <hr/> | <hr/> |
| Assets at the end of year | 24,318 | 22,034 |
| | <hr/> | <hr/> |

The actual return on scheme assets was £1,784,000 (2018: return of £15,000).

Under the Management and Funding Agreement (MFA) with Sandwell MBC, the Council bears the risk of changes in the superannuation contribution rate for the establishment that transferred to the Trust on 1 April 2004 and the Trust's Management Fee is adjusted to reflect this. As a result the Trust only bears the risk of any shortfall relating to additional superannuation costs it has incurred over and above the amounts funded by the Council. In FY2018/19 the level of management fee relating to superannuation covered the Trust's actual expenditure.

18 COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee amounting to £1 for each member in the event of the charitable company being wound up.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

19 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted General Funds £ | Unrestricted Pension Fund £ | Restricted Funds £ | Total 2018 £ |
|---|------------------------------------|-----------------------------------|--------------------------|--------------------|
| Income from: | | | | |
| Charitable activities | 10,321,817 | - | 18,707 | 10,340,524 |
| Other trading activities | 318,047 | - | - | 318,047 |
| Investments | 2,150 | - | - | 2,150 |
| Total income | 10,642,014 | - | 18,707 | 10,660,721 |
| Expenditure on: | | | | |
| Raising funds | 155,817 | - | - | 155,817 |
| Charitable activities | 10,563,895 | 1,014,000 | 52,282 | 11,630,177 |
| Total expenditure | 10,719,712 | 1,014,000 | 52,282 | 11,785,994 |
| Net expenditure for the year | (77,698) | (1,014,000) | (33,575) | (1,125,273) |
| Other recognised gains and losses | | | | |
| Actuarial gains on defined benefit pension scheme | - | 1,152,000 | - | 1,152,000 |
| Net movement in funds | (77,698) | 138,000 | (33,575) | 26,727 |
| Funds at 1 April 2017 | 3,115,697 | (10,763,000) | 67,633 | (7,579,670) |
| Funds at 31 March 2018 | 3,037,999 | (10,625,000) | 34,058 | (7,552,943) |

