

Consolidated Financial Statements

Rochdale Boroughwide Cultural Trust

For the year ended 31 March 2020

Rochdale Boroughwide Cultural Trust

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Officers and Professional Advisers

Charity operating name:	Link4Life
Charity registration number:	1118610
Company registration number:	06052980
Registered office:	PO Box 428 Number One, Riverside Floor 3 Smith Street Rochdale Lancashire OL16 1ZL
Directors:	R Platt (Chair) A Taylor-Woodward S Griffiths J Partington M Sarwar M Miah S Cooke M Walker E White J Heap C Davison Councillor P Rush Councillor S Zaheer Councillor R Paolucci-Escobar
Chief Executive	A King
Secretary:	E Rowe
Bankers:	The Co-operative Bank plc. PO Box 101 1 Balloon Street Manchester M60 4EP
Auditor:	Mitchell Charlesworth 3 rd Floor 44 Peter Street Manchester M2 5GP

Rochdale Boroughwide Cultural Trust
Consolidated Financial Statements for the year ended 31 March 2020

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Rochdale Boroughwide Cultural Trust

Consolidated Financial Statements for the year ended 31 March 2020

Report of the Trustees

The Trustees, who are also directors of the Charitable Company for the purposes of the Companies Act, present their report together with the audited financial statements for the year ended 31 March 2020. This is the group's twelfth period of account; the Charitable Company was incorporated on 15 January 2007 and commenced trading on 1 April 2007.

Objectives and activities

The Charitable Company has been established for the public benefit of the community and visitors to the borough of Rochdale and surrounding areas. Its principle objectives include, but are not limited to, the following:

- the advancement and support of education, culture, arts, heritage and history including the provision of libraries, museums, galleries, learning and information centres, archives and other related services;
- the provision or assistance in the provision of facilities for recreation or other leisure time occupations in the interest of social welfare, such facilities being provided to the public at large save that special facilities may be provided to persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services;
- the promotion and preservation of good health through community participation in healthy recreation; and
- such other charitable purposes beneficial to the public consistent with the objects above as the director Trustees shall in their absolute discretion determine.

The Trust Vision is for "Communities that are Active, Creative and Healthy". The Trust delivers this vision through the following principle activities:

Sports and Leisure

Management and operation of sport and leisure facilities across the Borough including Rochdale Leisure Centre, Heywood Sports Village, Middleton Arena, Littleborough Sports Centre and Bowlee Sports Centre. Together they offer residents the opportunity to be more active through access to gyms, swimming, indoor sports halls, outdoor playing pitches, squash courts and fitness classes. Further targeted activities for children, young people and those with limited mobility or long term conditions are delivered in community, health and educational settings.

Outdoor Activities

Management and operation of Hollingworth Country Park, Visitor Centre and Water Activity Centre, offering recreational facilities and organized activities including walking, orienteering, cycling, climbing, archery and sailing. Also, a range of outdoor and nature education programmes accessed by local schools and community groups, traditional craft and nature events and health and wellbeing focused activities such as walking and mindfulness.

Museums and Galleries

Management and programming of cultural venues including Touchstones Art Gallery, Museum and Local Studies Library and The Heritage Resource Centre. The venues provide a home for programme of art and heritage based exhibitions, events, participation workshops, classes, socially engaged projects, artist development and care and conservation for the Borough collections. A programme of Creative Learning and outreach is delivered with schools and in communities that are underrepresented or experiencing barriers to participation.

Report of the Trustees

Theatre and Live Events

Management and programming of theatre and live events venues including Middleton Arena Theatre, Heywood Civic Centre and Touchstones Studio Theatre. Together they provide audiences with access to professional touring and in house produced performances including drama, dance, music, comedy and annual pantomimes as well as live theatre broadcasts, film screenings and productions staged by local community groups. The Trust also delivers audience development projects with underrepresented communities and co-produces a range of free outdoor performances, festivals and events.

Health and Wellbeing

Development and delivery of a broad portfolio of health projects which aim to help people to remain active into older age, manage long term conditions, and manage weight. Other projects deliver alongside commissioned partners to provide specialist interventions through the Integrated Neighbourhood Support service, Living Well Service and #Thrive emotional health and wellbeing service for young people. The Trust also delivers a range of activities for young people and adults with disabilities

Leadership, Advocacy and Development

Deploying its' skills and expertise to actively lead, convene, advocate and fundraise for the physical activity, culture, health and community agenda, working with and supporting partners locally, regionally and nationally.

Organisation

The Charitable Company is a company limited by guarantee and governed by its Memorandum and Articles of Association dated 15 January 2007. The income and property of the Charitable Company shall be applied solely towards the promotion of its objectives as noted above. No dividend, bonus or profit share shall be paid or transferred directly or indirectly to members of the Charitable Company.

The financial statements show the financial affairs of the Rochdale Boroughwide Cultural Trust ('RBCT', the 'Charitable Company' or 'the Trust') consolidated with Rochdale Boroughwide Cultural Trust Trading Company Limited (together 'the Group'). The group consists of RBCT and its 100% subsidiary, Rochdale Boroughwide Cultural Trust Trading Company Limited (the financial position and results of which are detailed in note 4).

The group was established to provide cultural, sport and leisure services across the borough of Rochdale ('the borough') on behalf of Rochdale Borough Council ('RBC') (www.rochdale.gov.uk/council-and-democracy/contact-us) under a 20 year partnership agreement. The Council transferred the operation of sport, leisure and cultural services to the Trust on 1 April 2007.

Charitable status

The Trust registration number is 1118610.

Structure, governance and management

The directors of the Charitable Company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as 'the Trustees'.

The Board of Trustees comprises a broad mix of leisure, culture and business sector specialists, council nominees. New Trustees are recruited through open adverts in local and specialist press. The Board meets approximately six times (formally and informally) throughout the year with an AGM held before one of the general Board meetings.

Report of the Trustees

Sub-committees include the Finance and Audit Sub Committee, the Human Resources Committee and the Remuneration Committee. Their membership in 2019/20 are listed below:

- Finance and Audit Sub Committee: Stephen Griffiths (Chair), Steven Cooke, Julia Heap and Christopher Davison.
- Human Resources Committee: Anne Taylor (Chair), Mohammed Sarwar, Mohammed Miah and Martin Walker.

Remuneration Committee is formed from the members of the Human Resources Committee and sits at least annually. The Committee considers the performance and remuneration of the CEO in addition to the appointment and remuneration of SLT members.

The Trust currently procures the internal audit function through The Internal Audit Association (TIAA). Each audit report is submitted to the Finance and Audit Sub Committee as part of the group's governance and assurance arrangements.

The Senior Leadership Team meets fortnightly.

Trustee training and development

All Trustees are offered training to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making process, the Business Plan and financial monitoring of the Company's performance. Trustees have also approved financial procedures as part of corporate governance considerations.

Trustees are inducted into the company by the Chair, CEO and Company Secretary and are offered the opportunity to attend courses and briefings commensurate with their development. Regular away-days and workshops are held at which Trustees can gain a deeper insight into the strategic direction and policies of the company.

The Company introduced Trustee links with service areas across the Company, which involves quarterly meetings to provide a strategic overview of the developments and challenges within the service.

Decision making

Strategic decisions are approved by the Board of Trustees, but operational decisions are the responsibility of the senior leadership team. Significant operational decisions are however reported to the Board. In March 2020, the Board resolved that meetings and decisions could be held and recorded digitally in light of the pandemic and difficulties with continuing face-to-face meetings.

Achievements and performance

Like many charities, Link4Life experienced a tough operating environment over the year, with the need for stronger performance and continuing efficiency a key feature of our agenda. For much of the year, we were involved in detailed discussions with our commissioning client (Rochdale Borough Council) with regards to writing a new Partnership Agreement. The aim of the new agreement was to set out a new working relationship between the parties, with a new set of outcome indicators, revised asset management plans, and revised governance arrangements.

In February 2020, the possibility of disruption as a result of the new Coronavirus started to emerge. Within a short period of time, this risk had intensified to the point where, at the end of March, all facilities had been compulsorily closed by the government. Subsequently, the Trust has worked with its customers, members and the local authority to put in a Recovery, Resilience and Renewal Plan. Rochdale BC provided immediate support for the plan in terms of cash flow stability and longer term support if it is required. A staff rationalization exercise was put in place and in addition, the Trust has sought and won grants from the National Heritage Lottery Fund and Arts Council England. Regular monitoring and re-forecasting of the financial situation has been established via an open-book process with Rochdale BC.

Report of the Trustees

Sport, Leisure and Fitness

Total visits to sport, leisure and entertainment venues during the year were 1.78m. During the year the Trust ceased to operate two facilities which account for the 2.5% decrease in overall visits compared to 18/19 (1.83m). Health and Fitness membership grew to 10,865 paid members (up 7.5% compared to 18/19), in addition a total of 92 people accessed free GP referral fitness memberships. This was the fourth consecutive year that memberships have grown. 182k member and casual swimming sessions were booked across the three pools (down 6% on the previous year).

6,334 local residents benefitted from concessions accessed through the 'Your Link4Life Extra card' (an increase of 33% compared to 18/19). Over the year, 23% of Link4Life Extra card holders lived in the most economically deprived wards in the borough (10% SOA), compared to 26% in 2018/19. During the year Rochdale Leisure Centre was the first of our facilities to be assessed through the 'Quest' benchmarking and quality scheme for sport and leisure, scoring a positive 'very good' rating.

Ensuring regular opportunities for young people to be more active is central to the offer in our centres. During the year 342 young people joined our junior health and fitness memberships, 495 joined gymnastic lessons delivered in partnership with Beth Tweddle Gymnastics Academy and swim academy membership taught a total of 3,382 pupils, a 1.4% increase on the previous year. Achievement of Key Stage 2 swimming (swimming 25m) rose to 55%, increasing 18% compared to 2018/19.

Across the year our development team delivered a total of 4,100 activity sessions with almost 80,000 attendances for all ages and abilities and in a variety of locations. 'Activ8te Me' which offers over 60 weekly low cost, pay as you go activities had total attendances of 51,350 and Active Living (activities for older adults and those with long term conditions) had 25,500 attendances.

Link4Life's PE and School Sport Specialists delivered high quality curriculum PE lessons, extra-curricular activities and health and wellbeing programmes to 35 primary schools in the Borough, reaching over 2000 children on a weekly basis. This included 7 Junior Sports Leadership (Playmaker) courses which were delivered to year 6 pupils. Active Histories was also a new addition to the Education programme. Combining expertise from the Arts and Heritage team along with those in the PE and School Sports team, an active learning programme was developed and taken to the classrooms to deliver History topics, contributing towards increasing children's physical activity levels.

Targeted youth provision outside of school reached 6,416 young people during the year. A total of 2,200 targeted sessions were delivered providing activities through programmes such as: 'Go4It' (high energy activities including fitness, swimming and play for ages 0-15, weekly after school and during school holidays); 'Doorstep Sports Clubs' (informal sport sessions delivered in partnership with Rochdale Youth Service) and holiday activities for children aged 4-18 years old with mild to moderate disabilities which supported 392 (348: 2018/19) young people. In addition 6 Big Games 'Open day' events took place across the borough offering free family friendly activities to 3,110 local people.

Continuing the charities commitment to the issue of 'holiday hunger' (experienced by many families in receipt of free school meals), we once again worked closely with priority schools to deliver a summer holiday 'Fit and Fed' scheme, providing fun free activities and a nutritious meal for 550 local children.

Outdoor Activities

During the year the Trust continued to offer an exciting programme of outdoor activities from its base at Hollingworth Lake and Country Park. Despite challenges of low water levels, a total of 13,335 people took part in organized activities at the water activity centre including water sports, walking, hiking, archery, climbing wall, mountain biking.

In April the Trust was pleased to officially launch 'Lady Katherine', a new 12 seater passenger boat to complete the retail offer alongside the fleet of battery operated pleasure boats launched in 18/19 to provide local residents and visitors alike with new fun leisure opportunities on the lake. Alongside investments in water based activities, the team also purchased a new portable outdoor obstacle course. The course was trailed at the Rochdale Feel Good Festival in August, offering local families the opportunity to try it for free, and has since been added to the range of activities available for schools through the popular outdoor education programme.

Report of the Trustees

Museum, Art Gallery and Collections

More people than ever before engaged with our Museum, Art Gallery and Collections. Total visitors to Touchstones Rochdale were 72,524, an increase of 58% compared to 2018/19. The increase in visits was due in no small part to the highly popular ‘Dippy on Tour’ exhibition which opened in February 2020 in partnership with Rochdale Borough Council and the Natural History Museum. At the time of opening, schools had reserved places for 32,000 school children to experience the exhibition.

Other noteworthy exhibitions include artist Harry Meadleys’ “But what if we tried?”. Many local, regional and national visitors were attracted by the significant media coverage and unusual concept which challenged the exhibitions team to display as much of the Borough collection (1,600 artworks strong) as possible in a single exhibition.

‘Nowruz/New Day’, delivered in partnership with the Art Fund, the British Museum and V&A, brought together works from the Art Fund Collection of Middle Eastern Photography. Furthering our commitment to socially engaged practice, the gallery team worked with local group Global Conversations, which brings together refugees to meet on a weekly basis, to co-curate the exhibition.

The ‘Peterloo and Protest’ exhibition marked the 200th anniversary of the Peterloo Massacre in 1819 (a major event in the history of north-west England which influenced the wider process of political and democratic reform in Britain). The exhibition included original artefacts including the only surviving protest banner, carried by a group of people led by Sam Bamford from Middleton to Manchester and content produced through a project with local young people.

The number of children visiting Touchstones with school doubled to 10,430 this year, due to the popularity of ‘Dippy on Tour’ and the relaunched creative learning programme. A total of 3,622 learning sessions were delivered in the museum and galleries and a further 3,809 children were engaged in activities at school through our popular loans box scheme.

This year we worked with the Co-op Heritage Trust, The Co-op and Art UK to tour three artworks by L.S. Lowry (from the Borough collection and on loan from the Co-op) and a Bronze Head of L.S. Lowry by Leopold Solomon from the collection, to Cardinal Langleigh RC High School. Working with teachers across the curriculum, learners took part in creative writing, drama, and painting in response to the artworks.

Arts Council England once again confirmed renewal of our official Accredited Museum status and Touchstones won the ‘welcome category’ award in the national Visit England Visitor Attraction Quality Scheme.

Theatre and Live Entertainment

Throughout the year the events team have worked hard to provide local communities with opportunities to enjoy experiencing and taking part in great live entertainment and events. A total of 292 performances were staged at Middleton Arena and Heywood Civic Centre during the year reaching a total of 63,942 audience members. Programming included live music, classical dance and ballet, comedy and drama including live broadcasts from the National Theatre thanks to the NT Live partnership.

The performance of the two annual Christmas pantomimes (this year Cinderella at Middleton Arena and Sleeping Beauty at Heywood Civic Centre), remained strong and were enjoyed by 6,529 local school children over the festive period. Furthering our commitment to quality, the Trust was delighted to this year secure a new partnership with Selladoor Worldwide enabling us to present a brand new production of ‘Frankenstein’ at Middleton Arena in February.

Accessibility remains a core concern for the Trust. Our two stages were used by local community groups to present 146 live events including dance shows, amateur dramatic and youth theatre. During the year we also launched three new access schemes: Best of Friends (offering discounts to all Your Link4Life Card holders), Essential Companion Scheme (offering free tickets to essential companions of those with disabilities and life limiting medical conditions) and Connecting You (A scheme offering free tickets and organised social opportunities such as an afternoon tea for isolated older people). A range of concessionary discounts, including for students and those in receipt of means tested benefits were also offered across many performances.

Report of the Trustees

Working outdoors, we increased opportunities for non-traditional audiences to experience live performance. Drawing on our partnership with Rochdale Borough Council and the Without Walls Touring Network, we presented a programme free family friendly circus, story-telling, installation and walk-about theatre at the annual Rochdale Feel Good Festival and stage 8 of the 2019 Tour of Britain as it passed through Rochdale town centre.

Health and Wellbeing

Throughout the year the Trust continued to work closely with Public Health partners, providers and commissioners to support delivery of a number of specialist health and wellbeing programmes. Active Living, for older adults and those living with or managing long term health conditions, provided a total of 1,700 sessions (1,184: 18/19), reaching 2,618 people (2,063: 18/19) and a total of 25,500 annual attendances. Sessions included cardiac rehabilitation, Moving Forward after Stroke and postural stability programmes for falls prevention. The popular Walking Football and Walking Netball programmes also enabled older adults to enjoy competitive sport once again.

Our healthy workforce programme, delivered in partnership with Rochdale Borough Council, engaged employers in healthy workforce initiatives including awareness raising, health MOT's, workplace exercise, healthy eating advice etc. During the year 503 health MOT's (454: 18/19) and 497 advice sessions (161: 18/19) were delivered and 114 referrals made to GP's (110: 2018/19).

In partnership with GM Active the Trust was pleased to deliver the first full year of the GM-wide prehab4cancer programme, supporting 43 people in the Borough. Prehab4Cancer is designed to better prepare people physically and mentally for their cancer treatment. It supports them in their recovery from treatment and gives the opportunity for them to make life-long changes for overall improved health and wellbeing. It is available before and after cancer treatment.

The Integrated Neighbourhood Team partnership programme with the Pennine Acute Hospitals NHS Trust (www.pat.nhs.uk) continued to deliver non-clinical interventions to support local people to access services in the Community and Voluntary sector. During the year the team supported up to 600 vulnerable local people in partnership with other local providers in NHS, PAT, Adult Social Care and other Community & Voluntary sector organizations.

Additional in-year transformation funding enabled the Trust to develop a broader range of activities for patients who were housebound or who had more severe conditions limiting mobility. For example, new creative home based activities were introduced which aimed to help improve cognitive function and wellbeing in housebound patients and 2 new community arts programmes were introduced working in partnership with local community centres.

Working with the Big Life Group, the Trust continued to deliver the 'Living Well' community and family prevention programme. A total of 872 people were referred by GP's to the Exercise Referral Programme (Provides individual advice, guidance and physical activity interventions to improve wellbeing and positively manage long term health conditions).

The Community Nutrition team which focuses on childhood obesity delivered programmes to improve healthy eating and nutrition including: HENRY (a nationally accredited programme for parents of under 5's, delivered to 55 families); Energy Club (working with overweight children and their parents in partnership with school nursing team, supported 122 children & families) and Fresh, a physical activity and healthy eating programme with schools including community cooking skills, demonstrations and individual healthy weight advice for teenagers and adults on referral (delivered nutrition workshops to 610 school children and carried out 6 home visits to assist people with disabilities to prepare & cook healthy meals in their homes).

Link4Life continued to partner the 'Thrive' service which provides emotional wellbeing services for young people including various treatments and advice from Pennine Care NHS Trust and Tameside, Oldham and Glossop 'Mind' staff. The team created bespoke action plans for every young person who was interested in taking part in some kind of activity including social, physical and cultural activities. In addition new 'Thrive' only sessions were developed allowing young people to socialise with other young people accessing the service

Report of the Trustees

Volunteers

Developing opportunities for local people to develop skills and confidence through volunteering remained a key area of focus for the Trust over the course of the year. 319 individuals volunteered through the year, providing 32k hours of in kind support to across culture, events, sports development and community/health delivery. Skills4Sports and Skills4Arts courses trained 60 adults, enabling them to gain industry qualifications and new volunteer recruitment, training and development activities created for 'Dippy on Tour' resulted in recruitment of 57 new volunteers with a particular interest in supporting culture, heritage and events.

Leadership, Advocacy and Development

Throughout the year the Trust continued to make a positive impact on the borough of Rochdale and more widely in Greater Manchester. Examples include: developing a Creative and Cultural Strategy for the Borough; supporting the first Rochdale in Rainbows Pride; producing the annual Sports and Culture Awards; facilitating the Rochdale Borough Culture Network; supporting the Sport England funded Local Pilot; working in partnership and collaborating with GM Active and GM Arts.

New Investment

2019/20 saw further investment into facilities and services:

- A new steam and sauna facility at Middleton Arena
- New consultation rooms at Middleton Arena
- The re-purposing of existing rooms at Rochdale Leisure Centre to create separate ladies changing facilities and a ladies only gym
- New spin bikes at Rochdale Leisure Centre
- A utility vehicle for moving boats at low water levels at the Water Activity Centre
- A range of energy saving investments within Leisure Centres

Corporate developments

Link4Life is committed to supporting and developing its team of staff who remain our strongest asset. The continuation of the Employee Performance and Development Review programme introduced in 2014/15, saw 209 of staff achieve a Gold Standard as part of the Employee Personal Development Review process - each received a certificate, staff excellence badge and pay progression where applicable.

The Trust continued to take an active part in the democratic life of the borough working closely with the borough Council and supporting township priorities. Quarterly scrutiny performance reports were provided to Elected Members.

Strategic report

The Strategic Report includes: Efficiency, risk assessment, results for the year and future plans.

Efficiency

In order to address the intensely competitive operating environment and meet the efficiency requirements of our financial plans, Link4Life made further efficiencies in its operating costs and employee numbers in 2019/20, including:

- An increase of 4% in income from the 3 largest leisure centres, despite a freeze in membership fees
- Effective use of staff leading to a real terms reduction in staffing costs whilst still awarding a pay award

Report of the Trustees

Risk assessment

The Board has approved a Strategy Risk Assurance Map and Strategic Risk Register which includes consideration of risk impact and mitigating action plans. It will be subject to continual review and revision by the Board.

The major risks to which the Trust is exposed include:

- Ensuring the continuing support and close working with our major client, Rochdale BC
- Securing investment into new products, services and assets
- Ensuring IT systems are fit for purpose
- Communicating the Trust's business model in order to properly inform our customers, clients and funders

These risks are all to be mitigated, as far as possible, through programmes that are either being considered by the Board or already being delivered.

The Trust is not exposed to currency risk and has minimal exposure to interest rate risk.

Results for the year

The financial statements are prepared in accordance with applicable accounting standards and the Trust Statement of Recommended Practice (SORP/FRS 102) and cover the activities of Rochdale Boroughwide Cultural Trust and its trading subsidiary Rochdale Boroughwide Cultural Trust Trading Company Limited (together 'the group').

The statement of financial activities (SOFA) shows the gross income and expenditure from all sources and the split of activity between restricted and unrestricted funds.

The SOFAs are affected by three key pension scheme adjustments - which have no bearing on the cash and underlying profitability of the group - but are a requirement of the SORP. These are shown on the statements below and broken down in Note 20. The adjustments are required in order to recognise the best current estimate of long term amounts owed under pension scheme benefits and movements in these amounts between years. They are based on audited assumptions for inflation, interest rates and future salary growth. Clearly these assumptions can change significantly over time and the adjustments can vary from one year to the next as actuarial re-forecasts change.

The underlying consolidated trading position, (without the FRS102 pension adjustments) shows that the total surplus in 2019/20 amounted to £194,488 (consisting of an Unrestricted funds surplus of £21,845 and a Restricted funds surplus of £172,643 - the latter is carried forward to meet future project delivery commitments).

The charitable group's retained income funds fall into the following categories:

- Restricted funds were £836,704 as at 31 March 2020. (2019: £664,061) these funds represent various grant income receipts earmarked for specific projects. Further information is provided in note 17 to the accounts. Restricted funds are ring-fenced for specific projects and may only be spent in accordance with the instructions of the relevant funding bodies.
- Unrestricted funds may be spent or applied at the discretion of the trustees to further any of the Trust's purposes. The underlying picture of Unrestricted funds is also affected by the FRS 102 pension adjustments. 'Pension Reserve Funds' shows a negative figure of £609,000. This is the notional difference between the value of the assets of the pension fund and the known obligations. However, this figure does not impact the cash position of Link4Life.
- The total amount of unrestricted funds held by the group at 31 March 2020 without FRS102 adjustments was £1,657,317 (2019: £1,635,472) of which around £325,000 is designated for carried forward spending commitments into future years, and £500,000 is designated for stability and price fluctuations.

Report of the Trustees

Reserves Policy

The Trust aims to hold a proportion of its unrestricted funds in reserve in order to mitigate against the risks of unforeseen events affecting stability. The Trustees regularly review the risks faced by the organisation and the nature of events that might affect the company. The Trustees have designated a minimum level for a 'Stability Reserve' at £400,000. In addition, Trustees have agreed that £100,000 should be designated as a 'Prices Fluctuation Reserve' which, will help the Trust to form a buffer against, for example, price shocks in the energy market.

Trustees have agreed that other unrestricted reserves could be applied on a programmed basis to 'Invest To Save' projects and energy saving/carbon reduction initiatives. This element of the reserves is effectively self-replenishing, and allows the group to address changing customer needs. The actual level of unrestricted reserves held at March 2020 is in line with this policy.

Given the comments about Coronavirus made above, the Trust now expects that a large portion of these reserves will be needed in 2020/21 to mitigate against losses incurred as a result of falling member numbers and increased operating costs. However, both the Culture Trust and Rochdale BC have recognised that this is a partnership, and that the increased net cost of service will be a shared liability, and that close joint working will ensure that the Trust is able to build back to full strength over 2020/21.

Future plans

Future focus will continue to be centred on our Vision of creating "Communities that are Active, Creative and Healthy". It was anticipated that in 2019/20, we would conclude a new working arrangement with the Council, which would set out a new framework for commissioning and measuring value. However this work is still ongoing. Whilst the pandemic has prevented us from finishing this work, it is anticipated that the project will be re-start in 2021.

A clear focus will be on ensuring the future financial sustainability of the Trust following the pandemic. Clearly the virus will have long term implications for the health and well-being of the borough of Rochdale, and it will be vital that the Trust can deepen its relationships and partnerships with health and well-being sectors in order to offer relevant and effective services aligned to the emerging needs of local residents.

The Trust will maximize the opportunities from Greater Manchester devolution in conjunction with the wider GM Leisure & Cultural Trust (www.gmactive.co.uk) and other GM Forums, and through collaboration across the Borough of Rochdale. In particular, the Trust will be working with other local Trusts to align and develop specific opportunities for efficiency and excellence through collaboration.

Technological advancements and improved data, analysis and profiling of customers is a priority to meet the needs of both the Trust and strategic partners, particularly in participation and health in order to evaluate and report on levels of participation and assess and report on impact.

Other priorities and challenges for 2020/21 are:

- The delivery of a Recovery, Resilience and Renewal programme which helps us to recover from the pandemic and ensure we are in good shape to offer the best possible service to local residents
- Securing the savings from the programme of efficiency measures put in place during the year - in particular bringing to fruition the energy conservation investments put in place during the year.
- Finding new ways to recognize the immense contribution of staff during 2020/21. The new financial year started in highly unusual circumstances and disruption is expected for many months to come, requiring the patience and commitment of all staff.
- Finding new ways to recognize the contribution of individuals, clubs and organisations that have made a difference through sport and culture in the local neighbourhood or community.

Report of the Trustees

- Maximizing and maintaining ongoing funding for community development to maintain the holistic offer of the Trust across Arts and Heritage and Sport and Leisure.
- Investing in skills development through the Link4Life Training Academy and as part of the EPDR programme.
- Supporting and leading where appropriate on the successful development of the local arts and heritage offer and tourism development.
- Continued investment and use of information technology and social networking to grow online business including further development of online bookings, access to information online, swim course software and website development.
- Working with strategic partners in health and social care to address health inequalities and promote healthy lifestyles across the wider health agenda, with particular focus on mental health and physical activity. In particular targeting priority groups, e.g. older people, sedentary and obese children and young people and adults.
- Continued joint working with the Council's Public Health service and the Clinical Commissioning Group focusing on the contribution of leisure and culture on health and wellbeing.

Public benefit

The Trustees confirm that they have referred to the Trust Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning the future activities of the Trust.

The Trust carries out its public benefit objectives by:

- Not restricting access to its services to any member of the public, irrespective of their place of residence
- Providing access free of charge to the museums that it operates, for example Touchstones
- Providing access to services at concessionary rates for example, the Link4Life Extra Card scheme
- Providing free casual use of our fitness centres to all current serving military personnel
- Link4Life is committed to promoting equality and diversity as both a service provider and employer. It provides a diverse and high quality portfolio of services and activities that aims to be accessible to all, regardless of religious beliefs, sexual orientation, gender, age or race and to reduce barriers to participation in terms of income.

Fundraising

Link4Life has hitherto carried out very little 'fundraising' either in its own capacity, or via the services of other agencies. In 2020/21, there will be an increase in this type of activity. Specifically, Link4Life is seeking to generate funds for its ambitious arts and events programmes from suitable funding bodies.

All fundraising activity will be monitored by the senior leadership team, and in turn the Board.

Reliance on other parties

The group continues to rely on the policies of national and local government for certain income streams.

Report of the Trustees

Trustees

The Trustees of the Company that served during the year are listed below. All served on the Board throughout the year unless otherwise indicated.

R Platt (Chair)

A Taylor

S Griffiths

J Partington

M Sarwar

M Miah

S Cooke

M Walker

E White

J Heap

C Davison

Councillor R Paolucci-Escobar

Councillor P Rush

Councillor S Zaheer

The Trust has purchased indemnity insurance for the Trustees and officers of the Trust against liability arising for wrongful acts in relation to the Trust. Further details can be found at note 21 to the financial statements.

Trustees' responsibilities for the financial statements

The Trustees (who are also directors of Rochdale Boroughwide Cultural Trust for the purposes of Company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under Company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 (FRS 102);
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

Report of the Trustees

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

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The financial statements have been prepared on a going concern basis, which presumes that the Trust will continue to receive contracted financial support from Rochdale Borough Council ('RBC'). RBC are contracted to use the Trust's services until March 2028, by which date the contract will be reviewed.

The group's activities, together with factors likely to affect its future development, performance and position are set out in the Report of the Trustees. The Report of the Trustees also includes the group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit risk and liquidity risk.

At the end of 2019/20, the group currently held reasonable levels of unrestricted cash balances and enjoyed good relationships with its principal stakeholders and suppliers. In light of the pandemic, careful consideration has been given to the inevitability that local authorities (including RBC) will need to carefully review budgets available for the provision of services such as those provided by the group. While there is considerable uncertainty relating to the nature, scope and quantum of future consequential changes to income, they are likely to be significant.

In this context, the Trustees have worked with management to consider the various scenarios that may arise. Measures to reduce costs and increase external funding income were taken early in 2020/21 to mitigate the need for service cuts. However it must be recognized that services may need to change and that financial viability will be maintained by careful management of income, costs and the contractual arrangements that assist with working capital management. As a consequence, the Trustees believe that the group is well placed to manage its business risks successfully, both in the short term and over the life of the contract to 2028.

Whilst the Trust has made a surplus, and has net current assets, the effect of the ongoing Covid-19 pandemic on the Trust, (in particular the disruptive impact on leisure members and future income levels), creates a material uncertainty that may cast doubt on the company's ability to continue as a going concern. However with due consideration of the short and medium term economic conditions, Rochdale Borough Council's approved additional financial support for the Trust (which will extend into 2020/21) and independent assurances that the Trust is in a healthy position compared to other similar businesses, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Independent Auditor's Report to the members of Rochdale Boroughwide Cultural Trust

Opinion

We have audited the financial statements of Rochdale Boroughwide Cultural Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise The Consolidated Statement of Financial Activities, Company Statement of Financial Activity, Consolidated Balance Sheet, Company Balance Sheet and Consolidated Cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to the Accounting Policy on Going Concern in the financial statements, which indicates that whilst the Trust has made a surplus, and has net current assets, the effect of the ongoing Covid-19 pandemic on the Trust, in particular the effect of Rochdale Borough Council's review of their provision of services provided by the Trust, indicate that a material uncertainty exists, that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Independent Auditor's Report to the members of Rochdale Boroughwide Cultural Trust

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, 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 group's and parent 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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

Rochdale Boroughwide Cultural Trust

Consolidated Financial Statements for the year ended 31 March 2020

Independent Auditor's Report to the members of Rochdale Boroughwide Cultural Trust

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 and its trustees 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 its members and trustees as a body for our audit work, for this report, or for the opinions we have formed.

Alison Buckley
Senior Statutory Auditor
For and on behalf of Mitchell Charlesworth LLP
3rd Floor
44 Peter Street
Manchester
M2 5GP

Mitchell Charlesworth is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Company Statement of Financial Activities
(including an Income and Expenditure Account)

		Unrestricted Funds 2020	Restricted Funds 2020	Total year ended 31 March 2020	Unrestricted Funds 2019	Restricted Funds 2019	Total year ended 31 March 2019
	Note	£	£	£	£	£	£
INCOME							
Donations, gift aid and core funding	1	4,757	2,146,752	2,151,509	2,349	1,783,265	1,785,614
Income from trading subsidiary	4	829,409	-	829,409	496,636	-	496,636
Investment income	3	-	-	-	-	-	-
Income from charitable activities	2	8,903,399	-	8,903,399	9,024,749	-	9,024,749
Total income		9,737,565	2,146,752	11,884,317	9,523,734	1,783,265	11,306,999
EXPENDITURE							
Raising Funds	5	62,157	-	62,157	61,512	-	61,512
Expenditure on trading subsidiary	4	844,298	-	844,298	397,039	-	397,039
		906,455	-	906,455	458,551	-	458,551
Direct charitable expenditure	5 & 6	8,809,265	1,974,109	10,783,374	8,589,748	1,904,345	10,494,093
Balance of pension scheme operating charge	21	616,000	-	616,000	813,000	-	813,000
Other pension finance charge	21	33,000	-	33,000	146,000	-	146,000
Charity activity expenditure		9,458,265	1,974,109	11,432,374	9,548,748	1,904,345	11,453,093
Taxation	10	-	-	-	-	-	-
Total expenditure		10,364,720	1,974,109	12,338,829	10,007,299	1,904,345	11,911,644
Net (expenditure)/income		(627,155)	172,643	(454,512)	(483,565)	(121,080)	(604,645)
Actuarial (loss)/gain on defined benefit scheme	21	1,059,000	-	1,059,000	4,950,000	-	4,950,000
Net movement in funds		431,845	172,643	604,488	4,466,435	(121,080)	4,345,355
Total funds brought forward		616,472	664,061	1,280,533	(3,849,963)	785,141	(3,064,822)
Total funds carried forward		1,048,317	836,704	1,885,021	616,472	664,061	1,280,533

The results relate wholly to continuing activities

Company Statement of Financial Activities
(including an Income and Expenditure Account)

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total year ended 31 March 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total year ended 31 March 2019 £
	Note						
INCOME							
Donations, gift aid and core funding	1	4,757	2,146,752	2,151,509	2,349	1,783,265	1,785,614
Investment income	3	-	-	-	-	-	-
Income from charitable activities	2	8,903,399	-	8,903,399	9,024,749	-	9,024,749
Total income		8,908,156	2,146,752	11,054,908	9,027,098	1,783,265	10,810,363
EXPENDITURE							
Raising Funds	5	62,157	-	62,157	61,512	-	61,512
Direct charitable expenditure	5 & 6	8,809,265	1,974,109	10,783,374	8,589,748	1,904,345	10,494,093
Balance of pension scheme operating charge	21	616,000	-	616,000	813,000	-	813,000
Other pension finance charge	21	33,000	-	33,000	146,000	-	146,000
Charitable activity expenditure and governance costs		9,458,265	1,974,109	11,432,374	9,548,748	1,904,345	11,453,093
Total expenditure		9,520,422	1,974,109	11,494,533	9,610,260	1,904,345	11,514,605
Net (expenditure)/income		(612,266)	172,643	(439,623)	(583,162)	(121,080)	(704,242)
Actuarial (loss)/gain on defined benefit scheme	21	1,059,000	-	1,059,000	4,950,000	-	4,950,000
Net movement in funds		446,734	172,643	619,377	4,366,838	(121,080)	4,245,758
Total funds brought forward		524,721	664,061	1,188,782	(3,842,117)	785,141	(3,056,976)
Total funds carried forward		971,455	836,704	1,808,159	524,721	664,061	1,188,782

The results relate wholly to continuing activities

Rochdale Boroughwide Cultural Trust
 Consolidated Financial Statements for the year ended 31 March 2020

Consolidated Cash Flow Statement

	Note	2020 £	2019 £
Net cash (outflow)/inflow from operating activities		91,887	170,619
Cash flow from investing activities			
Interest received	3	-	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets	11	(214,913)	(188,699)
Net cash (outflow)/inflow investing activities		(214,913)	(188,699)
(Decrease)/increase in cash		(123,026)	(18,080)
Cash and cash equivalents at beginning of reporting period		2,291,545	2,309,625
Cash and cash equivalents at end of reporting period		2,168,519	2,291,545
Net cash (outflow)/inflow from operating activities			
		2020	2019
		£	£
Net expenditure (excluding investment income, finance costs and taxation)		(454,512)	(604,645)
Depreciation		96,385	59,823
Disposal of FA		-	5,965
Decrease/(increase) in stocks		(32,257)	(3,182)
Decrease/(increase) in debtors		23,345	(154,366)
(Decrease)/increase in creditors		(190,074)	(91,976)
Tax receivable		-	-
Pension:			
Operating charge		616,000	813,000
Net return on assets		33,000	146,000
Net cash (outflow)/inflow from operating activities		91,887	170,619

The accompanying notes to the accounting policies form part of these financial statements

Principal Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

Going concern

The financial statements have been prepared on a going concern basis, which presumes that the Trust will continue to receive contracted financial support from Rochdale Borough Council ('RBC'). RBC are contracted to use the Trust's services until 2028, by which date the contract will be reviewed.

The group's activities, together with factors likely to affect its future development, performance and position are set out in the Report of the Trustees. The Report of the Trustees also includes the group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit risk and liquidity risk.

The group currently has significant cash balances reflecting short term flexibility granted by receiving significant income in advance of service delivery and good relationships with its principal stakeholders and suppliers. Careful consideration has been given to the ongoing consequences of the ongoing need for local authorities (including RBC) to carefully review budgets available for the provision of services such as those provided by the group. While there is still some uncertainty relating to the nature, scope and quantum of future consequential changes to income, they are likely to be significant. In this context, the Trustees have worked with management to consider the various scenarios that may arise. The conclusion of such consultations are that services may change but that financial viability will be maintained by careful management of income, costs and the contractual arrangements that assist with working capital management. As a consequence, the Trustees believe that the group is well placed to manage its business risks successfully, despite the current economic climate.

On this basis, and with due consideration of the short and medium term pension funding requirements, and the current economic conditions, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation

The group financial statements consolidate (using acquisition accounting) those of the Charitable Company and its subsidiary undertaking drawn up to 31 March 2020, on a line by line basis.

Taxation

The Company undertakes charitable activity and is not subject to corporation tax. Rochdale Boroughwide Cultural Trust Trading Company Limited, a subsidiary undertaking, undertakes trading activities and is subject to corporation tax.

Income

All income is included in the statement of financial activities when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Principal Accounting Policies

Voluntary income

Voluntary income comprises all incoming resources from donations, gifts, core funding grants and investment income. Income from investments is included in the statement of financial activities in the year in which it is receivable.

Donations under Gift Aid, together with the associated income tax recoveries, are credited as equity when the donations are received.

Grants receivable

Grants receivable and local authority fees are credited to the statement of financial activities when receivable, provided there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Charitable trading income

Charitable trading income represents amounts receivable by the Charitable Company for services provided, aligned with the Charitable Company's objectives as disclosed on page 1 of these financial statements.

Investment income and rental income

Income from investments and from rental income is included in the statement of financial activities in the year in which it is receivable.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of other income generation, such as bar and catering income generated by the trading subsidiary.

Charitable expenditure comprises direct expenditure attributable to the charitable activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Central overhead costs are allocated to operational functions on the basis of their use of central support services.

Governance costs are the costs associated with the governance arrangements of the Trust which relate to the general running of the Trust as opposed to those costs associated with charitable activities. Included within this category are costs associated with the strategic as opposed to day to day management of the group's activities.

Support costs, which include management, finance, human resources, marketing, IT, administration and building costs are allocated across categories of charitable expenditure. The basis of the cost allocation is explained in note 6 to the accounts. Irrecoverable VAT is charged as a cost to the statement of financial activity.

Provision is made, where appropriate, for relevant expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102.

Rochdale Boroughwide Cultural Trust

Consolidated Financial Statements for the year ended 31 March 2020

Principal Accounting Policies

Fund Accounting

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

Unrestricted funds are incoming resources received or generated for expenditure on general objectives of the Charitable Company.

Fixed assets

The financial statements do not include the cost of land, buildings and equipment used at nominal rent by Rochdale Boroughwide Cultural Trust, whose title rests with Rochdale Borough Council. It is not practicably possible to attribute a value to this benefit.

Tangible fixed assets and depreciation

The Charitable Company has adopted a £10,000 capitalisation threshold for individual assets, although assets of lesser value are capitalised if they form part of a group, with a group value in excess of £10,000. The £10,000 figure includes VAT where this is not recoverable.

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off cost of an asset, less its residual value over the useful economic life of that asset as follows:

Plant and equipment	4 - 5 years straight line
Computer equipment and software-	4 years straight line

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the statement of financial activities over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the statement of financial activities on a straight line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow-moving items.

Contributions to pension schemes

Defined benefit scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Company.

Principal Accounting Policies

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

Retirement benefits other than pensions are accounted for in the same way.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these Judgments and estimates have been made include:

Pensions - management consult with experts to provide appropriate assumptions on which to calculate projected funding position for the scheme. This is updated on an annual basis.

Company information

Rochdale Boroughwide Cultural Trust is a Charitable Company limited by guarantee, incorporated in England and Wales under Companies Act 2006 (registration number 06052980).

The registered address is PO Box 428, Number One, Riverside Floor 3, Smith Street, Rochdale, Lancashire, OL16 1ZL.

Rochdale Boroughwide Cultural Trust

Consolidated Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

1 Voluntary income (Group and Company)

	Total year ended			Total year ended		
	Unrestricted 2020 £	Restricted 2020 £	31 March 2020 £	Unrestricted 2019 £	Restricted 2019 £	31 March 2019 £
AGMA	-	643,000	643,000	-	316,000	316,000
Integrated Neighbourhood Team	-	309,269	309,269	-	166,420	166,420
Living Well	-	194,771	194,771	-	16,254	16,254
Active Ageing	-	28,010	28,010	-	19,947	19,947
Children's Health and Well being/Thrive	-	89,645	89,645	-	194,771	194,771
Children's Weight Management	-	16,200	16,200	-	25,900	25,900
Onward Arts funding	-	50,700	50,700	-	-	-
Activity Programme 13 - 19 Year Olds (Go for it clubs)	-	42,685	42,685	-	20,671	20,671
Theatre in Rochdale communities	-	-	-	-	48,000	48,000
Voluntary and Community Sector Alliance investment	-	-	-	-	63,209	63,209
Doorstep Sports Club	-	26,975	26,975	-	-	-
Inclusive Sports	-	26,578	26,578	-	55,844	55,844
AGMA - L4L part	-	29,849	29,849	-	-	-
Active Living	-	25,900	25,900	-	57,190	57,190
Revealing Rochdale	-	-	-	-	1,850	1,850
Satellite Clubs	-	16,384	16,384	-	-	-
Community Development Programmes	-	-	-	-	30,000	30,000
Middleton Holiday at Home	-	-	-	-	36,113	36,113
Skills 4 Sport and Leisure (Barry Woodhead)	-	39,947	39,947	-	-	-
Fit and fed	-	24,875	24,875	-	-	-
Healthy Workforce	-	46,930	46,930	-	15,000	15,000
Sub Total Restricted Projects	-	1,611,718	1,611,718	-	1,067,169	1,067,169
Other Restricted Projects	-	535,034	535,034	-	716,096	716,096
TOTAL GRANTS RECEIVABLE	-	2,146,752	2,146,752	-	1,783,265	1,783,265
Other voluntary income (Company)	Total year ended			Total year ended		
	Unrestricted 2020 £	Restricted 2020 £	31 March 2020 £	Unrestricted 2019 £	Restricted 2019 £	31 March 2019 £
Donations	4,757	-	4,757	2,349	-	2,349
Gift aid from subsidiary	-	-	-	-	-	-
Total other income	4,757	-	4,757	2,349	-	2,349

Notes to the Financial Statements

2 Charitable activities (Group and Company)

Income from charitable activities are:

	Unrestricted	Restricted	Total year ended 31 March	Unrestricted	Restricted	Total year ended 31 March
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Activities for generating funds:						
Rochdale BC annual contract fee	2,610,754	-	2,610,754	2,864,103	-	2,864,103
Fees and charges	5,704,344	-	5,704,344	5,390,258	-	5,390,258
Facility rental charges	457,005	-	457,005	580,597	-	580,597
Other income	131,296	-	131,296	189,791	-	189,791
	<u>8,903,399</u>	<u>-</u>	<u>8,903,399</u>	<u>9,024,749</u>	<u>-</u>	<u>9,024,749</u>

3 Investment income (Group)

	Unrestricted	Restricted	Total year ended 31 March	Unrestricted	Restricted	Total year ended 31 March
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Investment income comprises:						
Bank interest receivable	-	-	-	-	-	-

Investment income (Company)

	Unrestricted	Restricted	Total year ended 31 March	Unrestricted	Restricted	Total year ended 31 March
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Investment income comprises:						
Bank interest receivable	-	-	-	-	-	-

Rochdale Boroughwide Cultural Trust
 Consolidated Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

4 Income and expenditure of trading subsidiary

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
A summary of the results of the trading subsidiary is set out below:		
Turnover (including interest receivable)	829,409	496,636
Other income and charges	(844,298)	(397,039)
Surplus	(14,889)	99,597
Tax	-	-
Surplus after tax	(14,889)	99,597
Gift aid paid	-	-
Brought forward profit and loss	91,750	(7,847)
Profit and loss account at 31 March 2020	76,861	91,750

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
The net assets and liabilities of the subsidiary were:		
Current assets	129,149	153,505
Creditors: amounts falling due within one year	(52,287)	(61,754)
Net current (liabilities)/assets	76,862	91,751
Total assets less current liabilities	76,862	91,751
Aggregate share capital and reserves	76,862	91,751

5 Raising funds (Group and Company)

	Year ended 31 March 2020	Year ended 31 March 2019
	Unrestricted Funds	Unrestricted Funds
	£	£
Staff costs and allowances	59,098	56,702
Transport expenses	11	94
Supplier, services and other expenses	3,048	4,716
	62,157	61,512

Notes to the Financial Statements

6 Cost of charitable activities (Group and Company)

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Year ended 31 March 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Year ended 31 March 2019 £
Staff costs and allowances	5,253,711	848,802	6,102,513	5,616,467	913,933	6,530,400
Establishment expenses	1,599,064	5,489	1,604,553	1,269,459	8,177	1,277,636
Transport expenses	133,392	7,512	140,904	120,440	14,814	135,254
Supplier, services and other expenses	1,823,098	1,112,306	2,935,404	1,583,382	967,421	2,550,803
	8,809,265	1,974,109	10,783,374	8,589,748	1,904,345	10,494,093

Included above are support costs which cannot be directly attributed to charitable activities. These costs have been allocated using an element of judgement as the Trust has had to consider the cost/benefit of detailed calculations and record keeping. Therefore support costs have been allocated according to proportion of direct costs incurred within each charitable activity.

Support Costs:

	Staff costs and allowances £	Establishment expenses £	Transport expenses £	Supplier, services and other expenses £	Agency and contracted services £	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Sport and Leisure	625,978	-	2,590	418,224	161,352	1,208,144	915,902
Arts and heritage	116,780	-	483	78,024	30,101	225,388	212,417
Golf	-	-	-	-	-	-	37,847
Water Activity Centre	42,415	-	175	28,338	10,933	81,861	72,038
Neighbourhood & Communities	30,818	-	128	20,590	7,944	59,480	42,318
Marketing	36,627	-	152	24,470	9,441	70,690	31,745
Total support costs	852,618	-	3,528	569,646	219,771	1,645,563	1,312,267

7 Governance costs are made up of the following (Group and Company)

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Internal audit	5,528	3,350
External auditor's fee: audit services	15,500	15,950
non-audit services	1,400	1,400
Museum Relief services	1,500	2,500
	23,928	23,200

Rochdale Boroughwide Cultural Trust
 Consolidated Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

8 Analysis of expenditure

Total expenditure includes:

Group and Company	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Fees payable to the group's auditor for the audit of the Company's annual financial statements	15,500	15,950
Non-audit services	-	-
Taxation services	1,400	1,400
Museum relief services	1,500	2,500
Depreciation	96,385	59,823

9 Trustees and employees

Staff costs during the year were as follows:

	Year ended 31 March Group 2020 £	Year ended 31 March Group 2019 £	Year ended 31 March Company 2020 £	Year ended 31 March Company 2019 £
Wages and salaries	5,091,133	5,270,862	4,773,642	5,132,673
Social security costs	333,476	347,903	311,295	342,031
Pension costs	903,729	918,123	845,980	896,307
	6,328,338	6,536,888	5,930,917	6,371,011

Group

The average monthly number of permanent employees of the group was as follows:

	Year ended 31 March 2020 Number	Year ended 31 March 2019 Number
Corporate Support	24	22
Sport & Leisure	188	166
Arts and Heritage	48	26
Golf	-	5
Grounds Maintenance	2	-
Hollingworth Lake Water Activity Centre	5	12
Neighbourhood & Communities	37	10
Special Projects & Marketing	5	2
	309	243

Rochdale Boroughwide Cultural Trust
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Notes to the Financial Statements

9 Trustees and employees (continued)

The number of full-time equivalents was:

	Year ended 31 March 2020 Number	Year ended 31 March 2019 Number
Corporate Support	21	18
Sport & Leisure	101	116
Arts and Heritage	31	18
Golf	-	5
Grounds Maintenance	2	-
Hollingworth Lake Water Activity Centre	4	8
Neighbourhood & Communities	28	7
Special Projects & Marketing	4	2
	191	174

Group and Company

Employees receiving remuneration in excess of £60,000 are analysed as follows:

	Year ended 31 March 2020 Number	Year ended 31 March 2019 Number
£130,001 - £140,000	-	-
£100,001 - £110,000	-	-
£90,001 - £100,000	1	1
£80,001 - £90,000	-	-
£70,001 - £80,000	-	-
£60,001 - £70,000	-	-

During the year the following amounts were paid to higher paid employees as shown above:

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Pension contributions to defined benefit schemes	19,583	19,199

During the year £262,491 (2019: £258,416) was paid to the key management personnel. The Key Management Personnel are made up of the Chief Executive, Deputy Chief Executive, Director of Finance and Director of Operations.

The Trustees, or any persons connected with them, have not received any remuneration from the Company during the year. Expenses of £nil were paid to Trustees during the year (2019: £nil).

Notes to the Financial Statements

10 Tax on net expenditure

Given that the primary purpose of the Charitable Company is charitable, and the Charitable Company is not trading for profit, the Charitable Company is exempt from taxation under Section 505 of ICTA 1988.

The taxation charge is based on the profit for the period and represents tax on the trading activities of the trading subsidiary as follows:

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
UK Corporation tax	-	-

11 Tangible fixed assets

Group and Company

	Plant and equipment £	Computer equipment £	Leasehold improvement £	Vehicles £	Total £
Cost					
At 31 March 2019	559,744	147,162	132,395	16,895	856,196
Additions	46,556	-	168,357	-	214,913
Disposals	-	-	-	-	-
At 31 March 2020	606,300	147,162	300,752	16,895	1,071,109
Depreciation					
At 31 March 2019	406,482	147,162	34,697	5,632	593,973
Charge for the year	48,130	-	44,031	4,224	96,385
Disposals	-	-	-	-	-
At 31 March 2020	454,612	147,162	78,728	9,856	690,358
Net book amount					
At 31 March 2020	151,688	-	222,024	7,039	380,751
At 31 March 2019	153,262	-	97,698	11,263	262,223

All tangible fixed assets were used for charitable purposes.

Rochdale Boroughwide Cultural Trust
Consolidated Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

12 Investments

Company

	2020	2019
	£	£
Investment in subsidiary	<u>1</u>	<u>1</u>

The Company had the following subsidiary undertakings as at 31 March 2020

Name of subsidiary	Country of incorporation	Class of share capital held	Proportion held by parent Company	Nature of business
Rochdale Boroughwide Cultural Trust Trading Company Limited Company no: 06052982	England & Wales	Ordinary £1	100%	Operation of civic centre and other trading activity

The subsidiary's aggregate amount of assets, liabilities and funds, together with a summary of turnover, expenditure and results for the year are detailed in note 4.

13 Stocks

	Group	Group	Company	Company
	2020	2019	2020	2019
	£	£	£	£
Goods for resale	<u>58,840</u>	<u>26,583</u>	<u>17,591</u>	<u>17,591</u>

Stock recognised in cost of sales during the year as an expense was £21,227 (2019: £44,456).

14 Debtors

	Group	Group	Company	Company
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	475,261	332,600	464,915	331,230
Other debtors (note 23)	41,462	232,460	41,462	220,061
Prepayments	38,654	13,661	38,654	13,661
	<u>555,377</u>	<u>578,721</u>	<u>545,031</u>	<u>564,952</u>

15 Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2020	2019	2020	2019
	£	£	£	£
Other creditors (note 23)	73,752	89,594	70,986	78,658
Other taxation and social security	148,114	155,602	134,041	159,853
Accruals	238,786	395,013	233,917	369,315
Corporation tax	-	-	-	-
Amounts owed to group undertaking	-	-	-	11,521
Deferred income (see note 16)	208,813	219,330	178,235	189,960
	<u>669,465</u>	<u>859,539</u>	<u>617,179</u>	<u>809,307</u>

Notes to the Financial Statements

16 Deferred income

	Group £	Company £
Balance at 31 March 2019	219,330	189,960
Amount related to income	(219,330)	(189,960)
Amount deferred in year	208,813	178,235
Balance at 31 March 2020	208,813	178,235

Deferred income includes grant income and fee income received in advance of the revenue being earned or attached conditions being fulfilled.

17 Income funds and reserves

Group

	Balance at 31 March 2019 £	Income £	Expenditure £	Gains and (losses) £	Balance at 31 March 2020 £
AGMA	90,522	643,000	499,956	-	233,566
Integrated Neighbourhood Team	59,030	309,269	241,086	-	127,213
Living Well	39,759	194,771	167,979	-	66,550
Active Ageing	35,338	28,010	26,868	-	36,480
Children's Health and Well being/Thrive	10,968	89,645	70,072	-	30,542
Children's Weight Management	38,316	16,200	24,049	-	30,467
Onward Arts funding	1,096	50,700	22,696	-	29,100
Activity Programme 13-19 Year Old's (Go for it clubs)	30,269	42,685	43,535	-	29,418
Doorstep Sports Club	10,579	26,975	14,853	-	22,700
Inclusive Sports	29,331	26,578	33,265	-	22,644
AGMA - L4L part	1,881	29,849	10,039	-	21,690
Active Living	35,439	25,900	37,535	-	23,805
Satellite Clubs	18,223	16,384	13,472	-	21,135
Skills 4 Sport and Leisure	15,879	39,947	37,029	-	18,796
Fit and fed	3,370	24,875	10,626	-	17,619
Healthy Workforce	26,340	46,931	54,686	-	18,585
Sub Total Restricted projects	446,339	1,611,718	1,307,746	-	750,311
Other restricted projects	217,722	535,034	666,363	-	86,393
	664,061	2,146,752	1,974,109	-	836,704
Unrestricted	1,635,472	9,737,565	9,715,720	-	1,657,317
	2,299,353	11,884,317	11,689,829	-	2,494,021
Pension reserve	(1,019,000)	-	649,000	1,059,000	(609,000)
	1,280,533	11,884,317	12,338,829	1,059,000	1,885,021

Notes to the Financial Statements

17 Income funds and reserves (continued)

Company	Balance at 31 March 2019 £	Income £	Expenditure £	Gains and (losses) £	Balance at 31 March 2020 £
AGMA	90,522	643,000	499,956	-	233,566
Integrated Neighbourhood Team	59,030	309,269	241,086	-	127,213
Living Well	39,759	194,771	167,979	-	66,550
Active Ageing	35,338	28,010	26,868	-	36,480
Children's Health and Well being/Thrive	10,968	89,645	70,072	-	30,542
Children's Weight Management	38,316	16,200	24,049	-	30,467
Onward Arts funding	1,096	50,700	22,696	-	29,100
Activity Programme 13-19 Year Old's (Go for it clubs)	30,269	42,685	43,535	-	29,418
Doorstep Sports Club	10,579	26,975	14,853	-	22,700
Inclusive Sports	29,331	26,578	33,265	-	22,644
AGMA - L4L part	1,881	29,849	10,039	-	21,690
Active Living	35,439	25,900	37,535	-	23,805
Satellite Clubs	18,223	16,384	13,472	-	21,135
Skills 4 Sport and Leisure	15,879	39,947	37,029	-	18,796
Fit and fed	3,370	24,875	10,626	-	17,619
Healthy Workforce	26,340	46,931	54,686	-	18,585
Sub Total Restricted projects	446,339	1,611,718	1,307,746	-	750,311
Other restricted projects	217,722	535,034	666,363	-	86,393
	664,061	2,146,752	1,974,109	-	836,704
Unrestricted	1,543,721	8,908,156	8,871,422	-	1,580,455
	2,207,782	11,054,908	10,845,531	-	2,417,159
Pension reserve	(1,019,000)	-	649,000	1,059,000	(609,000)
	1,188,782	11,054,908	11,494,531	-	1,808,159

Notes to the Financial Statements

17 Income funds and reserves (continued)

Restricted funds

AGMA

Strategic Arts Grant managed on behalf of Greater Manchester Arts to deliver cultural activities in communities across Greater Manchester.

Integrated Neighbourhood Team

Funding to support the costs of Integrated Neighbourhood Team Offices to provide support for residents to access services promoting improved health and wellbeing.

Living Well

Commissioned community health and wellbeing services such as exercise referral, and health and nutrition programmes.

Active Ageing

A Sport England funded project supporting Carers or those with Caring responsibility into physical activity.

Children's Health & Wellbeing/Thrive

Funding for young people's emotional health and wellbeing services

Children's Weight Management

To establish new activity programmes for children's weight management.

Onward Arts funding

Funding to support cultural provision in the borough

Activity Programmes 13-19 Year Old's (Go For It Clubs)

An activity programme for young people aged 13-19 years.

Doorstep Sports Club

Funding for the provision of locally based sports activities for young people

Inclusive Sports

Funding to deliver inclusive activities for young people including those with disabilities.

AGMA - L4L part

Funding for the delivery of community and cultural projects in the borough

Active Living

Sport England Community investment funding to provide sport and physical activity sessions to increase adult participation.

Satellite Clubs

Satellite Clubs are delivered on a school venue out of school hours by a designated hub club coach. The clubs run at a different time to the hub clubs training sessions. Participants who wish can then move from Satellite to hub club sessions or continue to engage in the satellite club.

Skills 4 Sport & Leisure

Funding for the delivery of sport and leisure-based skills training

Notes to the Financial Statements

17 Income funds and reserves (continued)

Fit and Fed

Funding for the provision of holiday activity and lunches for children ordinarily in receipt of free school meals.

Active Workforce (formerly Healthy Workforce)

To provide physical activities for employees of Rochdale Borough Council, Heywood, Middleton and Rochdale Primary Care Trust, Impact Partnership, Rochdale Boroughwide Housing and Link4Life.

18 Analysis of group net liabilities between funds

Group

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total funds 2019 £
Tangible fixed assets	380,751		380,751	262,223	-	262,223
Current assets	1,946,031	836,704	2,782,735	2,232,788	664,061	2,896,849
Current liabilities	(669,465)		(669,465)	(859,539)	-	(859,539)
Pension liability	(609,000)		(609,000)	(1,019,000)	-	(1,019,000)
Total net (liabilities)/assets	<u>1,048,317</u>	<u>836,704</u>	<u>1,885,021</u>	<u>616,472</u>	<u>664,061</u>	<u>1,280,533</u>

Company

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total funds 2019 £
Tangible fixed assets	380,751		380,751	262,223	-	262,223
Investments	1		1	1	-	1
Current assets	1,816,882	836,704	2,653,586	2,090,804	664,061	2,754,865
Current liabilities	(617,179)		(617,179)	(809,307)	-	(809,307)
Pension liability	(609,000)		(609,000)	(1,019,000)	-	(1,019,000)
Total net (liabilities)/assets	<u>971,455</u>	<u>836,704</u>	<u>1,808,159</u>	<u>524,721</u>	<u>664,061</u>	<u>1,188,782</u>

19 Contingent liabilities

There were no material contingent liabilities at 31 March 2020 or 31 March 2019.

20 Capital commitments

Capital commitments for Exercise Bikes at Rochdale Leisure Centre £36,704 (2018/19: £37,091)

Notes to the Financial Statements

21 Pensions

Group and Company

Defined Benefit Scheme

The Charitable Company operates a defined benefit scheme for the benefit of the employees.

The Greater Manchester Pension Fund (www.gmpf.org.uk), a final salary defined benefit scheme, is administered in accordance with the Local Government Pension Scheme Regulations 1997. For the purposes of FRS 102 it has been possible to identify the Company's share of the underlying assets and liabilities of the Greater Manchester Pension Fund.

The assets of the scheme are administered by Trustees in a fund independent from those of the Company.

Pension costs are assessed in accordance with the advice of a qualified actuary.

The details shown below relate to the aggregate of the underlying assets and liabilities of the Greater Manchester Pension Fund for employees of Rochdale Boroughwide Cultural Trust.

Further information in respect of the defined benefit scheme is detailed below: The principal actuarial assumptions used by the actuaries were as follows:

	2020	2019
	%	%
Discount rate at 31 March	2.4%	2.5%
Expected return on plan assets at 31 March	2.4%	2.5%
Salary increase rate	1.6%	2.2%
Inflation assumption	2.2%	2.2%

The post-retirement mortality assumptions used to value to benefit obligations at 31 March 2019 and 31 March 2020 are based on the PFA92 and PMA92 tables with a current year of use. Based on these assumptions, average future life expectancies at age 65 are as follows:

	Males	Females
	Years	Years
Current pensioners	20.3	22.9
Future pensioners	21.5	24.6

	2020	2019
	£	£
Current service cost	1,507,000	1,725,000
Losses on curtailments and settlements	5,000	21,000
Contributions (charge for which included under other cost headings)	(896,000)	(933,000)
Net charge	616,000	813,000

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Notes to the Financial Statements

21 Pensions (continued)

The amounts charged or (credited) to other pension finance costs within the statement of financial activities:

	2020	2019
	£	£
Interest cost	850,000	948,000
Expected return on pension scheme assets	(817,000)	(802,000)
	33,000	146,000

The amounts recognised in the balance sheet are as follows:

	2020	2019
	£	£
Fair value of plan assets	29,725,000	32,304,000
Present value of retirement benefit obligations	(30,334,000)	(33,323,000)
Net liabilities	(609,000)	(1,019,000)

The major categories of plan asset, as a percentage of the total plan assets, are as follows:

	2020	2019
	%	%
Equities	66	69
Bonds	17	15
Property	8	8
Cash	9	8

Changes in the present value of the defined benefit obligation are as follows:

	2020	2019
	£	£
Opening defined benefit obligation at 1 April	33,323,000	34,365,000
Current service cost	1,507,000	1,725,000
Interest cost	850,000	948,000
Changes in demographic assumptions	(381,000)	(2,617,000)
Contributions by plan participants	264,000	274,000
Other experiences	(780,000)	-
Changes in financial assumptions	(3,907,000)	(926,000)
Losses/(gains) on curtailments	5,000	21,000
Benefits paid	(547,000)	(467,000)
Closing defined benefit obligation at 31 March	30,334,000	33,323,000

Notes to the Financial Statements

21 Pensions (continued)

Changes in the present value of the plan assets are as follows:

	2020	2019
	£	£
Fair value of plan assets at 1 April	32,304,000	29,355,000
Expected return on assets	817,000	802,000
Contributions by plan participants	264,000	274,000
Contributions by the employer	896,000	933,000
Actuarial gains/(losses)	(4,009,000)	1,407,000
Benefits paid	(547,000)	(467,000)
Closing fair value of plan assets at 31 March	<u>29,725,000</u>	<u>32,304,000</u>

The employer's contributions for 2021 are estimated to be approximately £895,000.

22 Indemnity insurance

The Trust has purchased insurance for the Trustees and officers of the Trust against liability arising for wrongful acts in relation to the Trust. The cost of this insurance amounted to £2,369 (2019: £2,369) (including Insurance Premium Tax).

23 Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 102 and has not disclosed transactions with group undertakings. The Company has a close working relationship with Rochdale Borough Council. The Council also has the power to appoint a number of Trustees to the Company's Board.

Group

During the year the group received £2,696,573 (2019: £2,973,747) as part of the annual contract fee together with an additional £50,700 (2019: £100,700) voluntary sector grant. At the period end, an amount of £41,462 (2019: £232,461) included in other debtors was due from Rochdale Borough Council and an amount of £73,752 (2019: £123,333) included in other creditors was due to Rochdale Borough Council.

Company

During the year the Company received £2,572,577: (2019: £2,849,751) as part of the annual contract fee together with an additional £50,700 (2019: £100,700) voluntary sector grant. At the period end an amount of £41,462 (2019: £220,061) included in other debtors was due from Rochdale Borough Council and an amount of £70,985 (2019: £86,000) included in other creditors was due to Rochdale Borough Council.