

REGISTERED COMPANY NUMBER: 10735297 (England and Wales)
REGISTERED CHARITY NUMBER: 1173521

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2021
for
Bath Recreation Limited

MHA Monahans
Statutory Auditor
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Bath Recreation Limited

Contents of the Financial Statements
for the Year Ended 31 March 2021

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Bath Recreation Limited

Reference and Administrative Details
for the Year Ended 31 March 2021

| | |
|----------------------------------|---|
| TRUSTEES | David Durdan Geoffrey Fairclough (resigned 31.3.21) Angela Lewis Martin Harman CBE Keziah Trump Jason Dalley Stephen Tanner Naomi Defroand Mark Powell (appointed 1.3.21) |
| REGISTERED OFFICE | Pulteney Mews Bath BA2 4DS |
| REGISTERED COMPANY NUMBER | 10735297 (England and Wales) |
| REGISTERED CHARITY NUMBER | 1173521 |
| AUDITORS | MHA Monahans Statutory Auditor Chartered Accountants Fortescue House Court Street Trowbridge Wiltshire BA14 8FA |
| BANKERS | HSBC 41 Southgate Bath BA1 1TN |
| SOLICITORS | Veale Wansborough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA Clarke Wilmott LLP 1 George Square Bath Street Bristol BS1 6BA |
| INVESTMENT MANAGER | Investec Wealth & Investment Limited 3 Temple Quay 3 Temple Back East Bristol BS1 6DZ |

Bath Recreation Limited

Report of the Trustees for the Year Ended 31 March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable company has continued to deliver its objectives at the Recreation Ground and other sites; the provision, with or without charge, of property in or near Bath (including, but not limited to, the Bath Recreation Ground) for use as indoor (to assist in providing ancillary recreation facilities such as changing rooms, toilets and clubhouses and the like to support outdoor recreational space) and outdoor recreational facilities for the benefit of the public.

Covid 19

The charity has been fortunate that core revenue, in the form of 2 commercial rents, has been maintained during the hiatus. We also managed to deliver on budget the new building at Glasshouse albeit it slightly later than originally planned.

The pandemic and subsequent government restrictions have had a significant impact on our tenants and users. Where appropriate we have provided direct support to our tenants and licenced users in the form of rent holidays. Where activity has been able to take place we have provided additional support to ensure this can happen safely.

Our schools programme has altered to provide direct support in schools with additional coaching support to assist those children of key workers or in need of being at school. This is a temporary measure and our schools programme will revert to our property as soon as possible. In addition to the activity we have added an out of school programme for children at the new facility at Glasshouse in partnership with St John's Foundation and Medlock Charitable Trust.

The activities undertaken at the Recreation Ground and elsewhere during the year are considered by the Trustees to be of direct benefit to the public at large, and they confirm that they have had regard to the guidance issued by the Charity Commission on public benefit and have followed this in planning and undertaking the activities.

The charitable company does not actively solicit donations from the public and has no need to develop formal policies on its fundraising approach.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

A team of directly employed staff, led by the Chief Executive, manage the grounds and deliver activities. With the Trustees they work closely with a range of stakeholders to deliver the Charitable Objectives. The staff and trustees have provided much needed support and advice to our charity and community network of users which has helped many navigate unprecedented times.

The new pavilion at Glasshouse Playing Fields is now home to a wide range of school and community recreational and sporting activity; some of which has taken place when restrictions permitted. In addition, the Broadmoor Orchard site, including a playpark and recreational space, has been well-used by the local community.

The investment portfolio was severely impacted by the crisis but recovered (in line with the markets). The value of the portfolio at 31 March 2021 was £1,135,055. The investment performance is shown in note 13 to the financial statements.

Bath Recreation Limited

Report of the Trustees **for the Year Ended 31 March 2021**

FINANCIAL REVIEW

Reserves policy

It is the policy of the Trustees that the charitable company should hold sufficient unrestricted reserves to enable it to meet its ongoing commitments and provide sufficient resources to enable it to fund any additional opportunities for the charitable company's objectives to be furthered as they may arise.

Details of the restricted, endowment and unrestricted funds available to the charitable company at the balance sheet date are given in note 18 to these financial statements. The Trustees consider the reserves position at this date to be satisfactory.

The Trustees will more formally set out their long-term policy on reserves once they have clear visibility of income from long standing tenants. This is expected to be within two years.

The investment policy is for a medium to long term investment time horizon with a balanced investment objective.

The charitable company is working towards building a reserve which will allow it to remain financially secure when the 1995 Lease to Bath Rugby comes to an end and the Leisure Centre is demolished when life expired.

The charity recorded a surplus for the year of £373,218 (2020: £452,097).

The charitable company receives the majority of its ongoing income from Bath Rugby and Bath and North East Somerset Council for the ongoing use of its facilities. A significant proportion of this income relates to leases granted by the charitable company which have an end date in 2069 and the Trustees are of the view that this provides sufficient security to mitigate any risk to its continued existence.

Going concern

The Trustees have considered the impact of the Covid-19 pandemic on the going concern position of the charitable company. After looking at the impact on the operations of the charitable company and the reserves position, the Trustees are of the opinion that the going concern basis for the preparation of the financial statements is appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity operating through a company limited by guarantee which is the sole Trustee of Bath Recreation Ground Trust is governed by a Scheme dated 14 December 2016, a Direction given on 3 November 2017 and the Articles of Association.

Recruitment and appointment of new trustees

The Company recruited 3 additional co-opted Trustees on 11 September 2019.

The Trustee body is made up of:

One Trustee nominated by Fields in Trust, one Trustee nominated by Somerset County Playing Fields Association and not less than three co-opted trustees.

When appointing co-opted Trustees, the Trustees must:

- a. identify the needs of the charity regarding skills or knowledge of its Trustees; and
- b. consider the extent to which appointees demonstrate the skills or knowledge; and
- c. not appoint members of Bath and North East Somerset Council.

Of the co-opted Trustees, the Trustees must appoint at least one whose skills and knowledge include an ability to represent those groups of beneficiaries that use the recreation ground, other than Bath Rugby.

In appointing co-opted Trustees, the Trustees must have regard to the desirability of advertising or using trustee brokerage services. Candidates must be asked to consider and declare any existing or potential conflicts of interest before appointment.

In the case of nominated Trustees, the person nominated shall be appointed. In the case of co-opted Trustees or in the event that no candidate is nominated by the nominating body within three months of its being notified of the vacancy, the person appointed shall be selected by the Trustees.

At least three of the Trustees must be resident within 5 miles of Bath Abbey.

The Trustees are responsible for monitoring the ongoing risks facing the charitable company. The Trustees are satisfied that major risks have been reviewed and that systems and procedures appropriately established to manage those risks.

Bath Recreation Limited

Report of the Trustees
for the Year Ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

Trustees are not remunerated by the charity. Remuneration levels of the charitable company's key management are set in accordance with market rates and kept under review by the Trustees.

Events since the year end

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Bath Recreation Limited 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, MHA Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 21 July 2021 and signed on its behalf by:



.....
Mark Powell - Trustee

**Report of the Independent Auditors to the Members of
Bath Recreation Limited**

Opinion

We have audited the financial statements of Bath Recreation Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2021 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Report of the Independent Auditors to the Members of
Bath Recreation Limited

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and sector, we identified that the principal risks of non-compliance with laws and regulations related company and charity legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the charitable company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Statement of Recommended Practice and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential lack of segregation of duties, bookkeeping errors and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the audit engagement team included:

- Enquiry of management and those charged with governance about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance and any correspondence with The Charity Commission;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing analytical procedures to identify any unusual or unexpected relationship that might indicate a risk of material misstatement due to fraud;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Bath Recreation Limited**

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 auditors' 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.



James Gare (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditor
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Date: 11 October 2021

Bath Recreation Limited

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2021

| | Notes | Unrestricted fund £ | Restricted funds £ | Endowment fund £ | 2021 Total funds £ | 2020 Total funds £ |
|---|-------|------------------------|-----------------------|---------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Donations and legacies | 2 | 39,750 | 123,216 | - | 162,966 | 471,226 |
| Charitable activities | 4 | | | | | |
| Provision of recreational facilities and supporting events consistent with the charitable objects | | 379,768 | - | - | 379,768 | 400,028 |
| Investment income | 3 | <u>199,901</u> | <u>-</u> | <u>-</u> | <u>199,901</u> | <u>205,398</u> |
| Total | | 619,419 | 123,216 | - | 742,635 | 1,076,652 |
| EXPENDITURE ON | | | | | | |
| Charitable activities | 5 | | | | | |
| Provision of recreational facilities and supporting events consistent with the charitable objects | | 605,850 | - | - | 605,850 | 472,300 |
| Net gains/(losses) on investments | | <u>236,433</u> | <u>-</u> | <u>-</u> | <u>236,433</u> | <u>(152,255)</u> |
| NET INCOME | | 250,002 | 123,216 | - | 373,218 | 452,097 |
| Transfers between funds | 18 | <u>424,591</u> | <u>(424,591)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | 674,593 | (301,375) | - | 373,218 | 452,097 |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | <u>2,231,829</u> | <u>301,375</u> | <u>4,110,953</u> | <u>6,644,157</u> | <u>6,192,060</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>2,906,422</u> | <u>-</u> | <u>4,110,953</u> | <u>7,017,375</u> | <u>6,644,157</u> |

The notes form part of these financial statements

Bath Recreation Limited (Registered number: 10735297)

Balance Sheet
31 March 2021

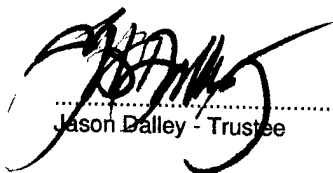
| | Notes | 2021 £ | 2020 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 3,789,776 | 3,275,831 |
| Investments | | | |
| Investments | 13 | 1,135,055 | 884,078 |
| Investment property | 14 | <u>1,700,000</u> | <u>1,700,000</u> |
| | | 6,624,831 | 5,859,909 |
| CURRENT ASSETS | | | |
| Debtors | 15 | 154,257 | 98,007 |
| Cash at bank and in hand | | <u>402,302</u> | <u>778,845</u> |
| | | 556,559 | 876,852 |
| CREDITORS | | | |
| Amounts falling due within one year | 16 | (164,015) | (92,604) |
| NET CURRENT ASSETS | | <u>392,544</u> | <u>784,248</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 7,017,375 | 6,644,157 |
| NET ASSETS | | <u>7,017,375</u> | <u>6,644,157</u> |
| FUNDS | 18 | | |
| Unrestricted funds | | 2,906,422 | 2,231,829 |
| Restricted funds | | - | 301,375 |
| Endowment funds | | <u>4,110,953</u> | <u>4,110,953</u> |
| TOTAL FUNDS | | <u>7,017,375</u> | <u>6,644,157</u> |

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 July 2021 and were signed on its behalf by:



.....
Mark Powell - Trustee



.....
Jason Dalley - Trustee

The notes form part of these financial statements

Bath Recreation Limited

Cash Flow Statement
for the Year Ended 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 22 | <u>241,366</u> | <u>590,448</u> |
| Net cash provided by operating activities | | <u>241,366</u> | <u>590,448</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (604,207) | (156,942) |
| Purchase of fixed asset investments | | (276,607) | (92,678) |
| Sale of fixed asset investments | | 252,549 | 63,778 |
| Investment fees charged | | 9,514 | 10,187 |
| Interest received | | <u>842</u> | <u>1,498</u> |
| Net cash used in investing activities | | <u>(617,909)</u> | <u>(174,157)</u> |
| Change in cash and cash equivalents in the reporting period | | | |
| Cash and cash equivalents at the beginning of the reporting period | | <u>778,845</u> | <u>362,554</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>402,302</u> | <u>778,845</u> |

The notes form part of these financial statements

Bath Recreation Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Bath Recreation Limited as a charitable company established in England and Wales. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The address of the registered office is given in the reference and administrative details on page 1 of these financial statements. The nature of the charitable company's operations and principal activities are described in the Report of the Trustees.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The functional currency of the charitable company, and the presentation currency of these financial statements is the pound sterling ("£").

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from approving these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fees and rental income receivable

Fees and rental income receivable are recognised in the Statement of Financial Activities in the period to which they relate. Where fee or rental income is received or receivable in advance of the period to which it relates, its recognition is deferred and included in creditors as deferred income.

The charity has taken advantage of the relief for Covid-19 related rent concessions and recognised the variable lease payments arising from rent holidays in the period they have been received rather than spreading over the terms of the lease.

Donations

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. Income relating to the settlement agreement with Bath & North East Somerset Council to restore and improve the Recreation Ground is recognised when released by the Council.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|---------------------|-----------------------------|
| Land and buildings | - Nil |
| Glasshouse building | - 2% on straight line basis |

Bath Recreation Limited

Notes to the Financial Statements - continued **for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

- Improvements to property - 10% on reducing balance
- Machinery and equipment - 25% on reducing balance

No depreciation is charged on land. Assets costing over £250 are capitalised.

Investments

Listed investments are included in the balance sheet at fair value (their market value).

The realised and unrealised gains on investments are reflected in the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value as the period end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the statement of financial activities.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The charitable company has a single permanent endowment which represents the land and buildings of the Bath Recreation Ground. As described in Note 23, the recreation ground is held by a linked charity

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

Linked charities

Branch accounting has been adopted for the linked unincorporated charitable trust, see Note 24.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank

Cash at bank includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transition value and subsequently measured at their settlement value.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Bath Recreation Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Debtors

Critical accounting estimates and assumptions

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant impact on the carrying amounts of assets and liabilities within the next financial year are:

- the useful economic life of the charitable company's tangible fixed assets;
- the proportion of the overall land value that relates to buildings on the charitable company's land.

Critical areas of judgement

The charitable company includes its land and buildings at an estimated deemed cost / valuation of £4.2m. In the absence of an intention to sell and a committed buyer, this figure is a matter of judgement for the Trustees in consultation with their professional advisers.

2. DONATIONS AND LEGACIES

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Bath & North East Somerset Council donations | 123,216 | 464,226 |
| Other donations | <u>39,750</u> | <u>7,000</u> |
| | <u>162,966</u> | <u>471,226</u> |

Under the settlement agreement with Bath & North East Somerset Council they agreed to fund up to £2m to restore and improve the recreation ground and following a variation to the agreement, the Glasshouse playing fields.

3. INVESTMENT INCOME

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Rent from Bath & North East Somerset Council | 175,658 | 175,611 |
| Dividend income | 23,401 | 28,289 |
| Deposit account interest | 185 | 886 |
| Other interest receivable | <u>657</u> | <u>612</u> |
| | <u>199,901</u> | <u>205,398</u> |

4. INCOME FROM CHARITABLE ACTIVITIES

| | 2021 | 2020 |
|--------------|----------------|----------------|
| | £ | £ |
| Bath Rugby | 250,748 | 304,097 |
| Other income | 24,844 | 95,931 |
| Grants | <u>104,176</u> | <u>-</u> |
| | <u>379,768</u> | <u>400,028</u> |

Rental income

The charity has the following amounts of rent due to it under operating lease agreements with various tenants at the Recreation Ground site:

| | Due within one year | Due within two and five years | Due in more than five years |
|-------------------|----------------------------|--------------------------------------|------------------------------------|
| Rental income due | 426,500 | 983,514 | 8,757,891 |

Bath Recreation Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

5. CHARITABLE ACTIVITIES COSTS

| | Direct Costs £ | Support costs (see note 6) £ | Totals £ |
|---|----------------------|---------------------------------------|----------------|
| Provision of recreational facilities and supporting events consistent with the charitable objects | <u>520,982</u> | <u>84,868</u> | <u>605,850</u> |

6. SUPPORT COSTS

| | Other £ | Governance costs £ | Totals £ |
|---|---------------|--------------------------|---------------|
| Provision of recreational facilities and supporting events consistent with the charitable objects | <u>13,018</u> | <u>71,850</u> | <u>84,868</u> |

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2021 £ | 2020 £ |
|-----------------------------|---------------|---------------|
| Depreciation - owned assets | <u>90,262</u> | <u>99,216</u> |

8. AUDITORS' REMUNERATION

| | 2021 £ | 2020 £ |
|--|--------------|---------------|
| Fees payable to the charity's auditors for the audit of the charity's financial statements | 8,300 | 6,300 |
| Fees payable to the charity's auditors for other services: Accounts, VAT advice and payroll | <u>1,439</u> | <u>6,654</u> |
| Total audit fees | <u>9,739</u> | <u>12,954</u> |

9. TRUSTEES' REMUNERATION AND BENEFITS

One (2020: Five) trustee has a parking permit at the Recreation Ground. These permits enable the holders to park at any time. The trustees holding the permits have indicated that they will only use these while on trust business.

There were no other trustees' remuneration or benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Bath Recreation Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

9. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the year reimbursed expenses totalling £194 (2020: £313) were paid to two (2020: two) trustees for travel and training.

10. STAFF COSTS

| | 2021 £ | 2020 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 197,123 | 151,212 |
| Social security costs | 15,009 | 8,097 |
| Other pension costs | <u>6,415</u> | <u>5,107</u> |
| | <u>218,547</u> | <u>164,416</u> |

Included in wages and salaries are redundancy payments amounting to £14,256 (2020 - £nil).

The average monthly number of employees during the year was as follows:

| | 2021 | 2020 |
|-------------------------------|----------|----------|
| Management and administration | 5 | 5 |
| Sports coaching | <u>1</u> | <u>1</u> |
| | <u>6</u> | <u>6</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2021 | 2020 |
|-------------------|----------|----------|
| £60,001 - £70,000 | - | 1 |
| £70,001 - £80,000 | <u>1</u> | <u>-</u> |
| | <u>1</u> | <u>1</u> |

The key management personnel of the charity comprise the trustees and the Chief Executive, to whom responsibility for the day-to-day activities of the charity is delegated. The total employee benefits received by key management personnel during the year were £74,946 (2020: £61,316).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted funds £ | Endowment fund £ | Total funds £ |
|---|---------------------------|--------------------------|------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and legacies | 7,000 | 464,226 | - | 471,226 |
| Charitable activities | | | | |
| Provision of recreational facilities and supporting events consistent with the charitable objects | 400,028 | - | - | 400,028 |
| Investment income | <u>205,398</u> | <u>-</u> | <u>-</u> | <u>205,398</u> |
| Total | 612,426 | 464,226 | - | 1,076,652 |
| EXPENDITURE ON | | | | |
| Charitable activities | | | | |
| Provision of recreational facilities and supporting events consistent with the charitable objects | 472,300 | - | - | 472,300 |
| Net gains/(losses) on investments | (152,255) | - | - | (152,255) |

Bath Recreation Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted fund £ | Restricted funds £ | Endowment fund £ | Total funds £ |
|------------------------------------|---------------------------|--------------------------|------------------------|---------------------|
| NET INCOME/(EXPENDITURE) | (12,129) | 464,226 | - | 452,097 |
| Transfers between funds | <u>162,851</u> | <u>(162,851)</u> | - | - |
| Net movement in funds | 150,722 | 301,375 | - | 452,097 |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | 2,081,107 | - | 4,110,953 | 6,192,060 |
| TOTAL FUNDS CARRIED FORWARD | <u>2,231,829</u> | <u>301,375</u> | <u>4,110,953</u> | <u>6,644,157</u> |

12. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Glasshouse building £ | Improvements to property £ | Machinery and equipment £ | Totals £ |
|-----------------------|----------------------------|-----------------------------|-------------------------------------|------------------------------------|------------------|
| COST | | | | | |
| At 1 April 2020 | 2,410,953 | 145,753 | 869,013 | 179,302 | 3,605,021 |
| Additions | - | <u>587,973</u> | - | <u>16,234</u> | <u>604,207</u> |
| At 31 March 2021 | <u>2,410,953</u> | <u>733,726</u> | <u>869,013</u> | <u>195,536</u> | <u>4,209,228</u> |
| DEPRECIATION | | | | | |
| At 1 April 2020 | - | - | 237,004 | 92,186 | 329,190 |
| Charge for year | - | <u>1,223</u> | <u>63,201</u> | <u>25,838</u> | <u>90,262</u> |
| At 31 March 2021 | - | <u>1,223</u> | <u>300,205</u> | <u>118,024</u> | <u>419,452</u> |
| NET BOOK VALUE | | | | | |
| At 31 March 2021 | <u>2,410,953</u> | <u>732,503</u> | <u>568,808</u> | <u>77,512</u> | <u>3,789,776</u> |
| At 31 March 2020 | <u>2,410,953</u> | <u>145,753</u> | <u>632,009</u> | <u>87,116</u> | <u>3,275,831</u> |

Land and buildings represent the Bath Recreation Grounds and the main fabric of the various outbuildings erected on the land between 1894 and 1954. Land is not depreciated and the main fabric of these outbuildings is deemed to have an indefinite useful life and are therefore not depreciated either.

Impairment is considered periodically and commercial valuations are obtained to facilitate this. The latest valuation was obtained from Jones Lang LaSalle dated June 2017.

The Land and buildings of the Bath Recreation Ground are held by a linked charity - The Bath Recreation Ground Trust.

Glasshouse building additions are the costs to date relating to the construction of the building on the Glasshouse playing fields, Bath. One month depreciation has been charged in the year.

Improvement to properties represents the conversion of an outbuilding to become the charity's office, creation of changing facilities and other building improvements. These improvements have a limited useful life and are depreciated over 10 years.

The freehold of a park off Broadmoor Lane, Bath currently generates no rental income yet incurs annual maintenance costs. Given that the land does not produce a yield to the charitable company, nor has any resale value, the Trustees have decided not to value the land in its financial statements.

The leasehold of the Glasshouse playing fields generate a small income, but the income generated currently does not match the annual running costs. Given that the land does not produce a net yield to the charitable company, nor has any resale value, the trustees have decided not to value the land in its financial statements.

Bath Recreation Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

13. FIXED ASSET INVESTMENTS

| | Investment portfolio £ |
|-------------------------|------------------------------|
| MARKET VALUE | |
| At 1 April 2020 | 884,078 |
| Additions | 276,607 |
| Disposals | (252,549) |
| Revaluations | 236,433 |
| Investment fees charged | <u>(9,514)</u> |
| At 31 March 2021 | <u>1,135,055</u> |
| NET BOOK VALUE | |
| At 31 March 2021 | <u>1,135,055</u> |
| At 31 March 2020 | <u>884,078</u> |

There were no investment assets outside the UK.

Cost or valuation at 31 March 2021 is represented by:

| | Investment portfolio £ |
|-------------------|------------------------------|
| Valuation in 2021 | <u>1,135,055</u> |

The investment portfolio consists of £1,072,666 listed investments and £62,389 cash balance

14. INVESTMENT PROPERTY

| | £ |
|--------------------------------------|------------------|
| FAIR VALUE | |
| At 1 April 2020 and 31 March 2021 | <u>1,700,000</u> |
| NET BOOK VALUE | |
| At 31 March 2021 | <u>1,700,000</u> |
| At 31 March 2020 | <u>1,700,000</u> |

The investment property built on the Bath Recreation Ground is held by a linked charity - the Bath Recreation Ground Trust.

Bath Sports & Leisure Centre became part of the Trust's assets following a decision of the Charity Tribunal in March 2014 which was reflected in an order of the Tribunal in April 2014. Attached to the asset is an obligation to demolish the building when it becomes life expired. It was not possible to recognise the value of the Sports and Leisure Centre fully until agreement was reached with Bath and North East Somerset Council on how the leisure centre would be used. The Trust have negotiated a lease and other arrangements with Bath and North East Somerset Council which resulted in Bath and North East Somerset Council paying substantial rent to the Trust from 1 April 2014 and assuming the obligation to demolish. The lease and ancillary documents were completed on 22 July 2016 and the full valuation including the Sports and Leisure Centre was included in the year ended 31 March 2018.

The £1,700,000 valuation of the land and buildings as at 31 March 2021 is based on an independent report prepared by Jones Lang LaSalle dated June 2017. The Trustees will take professional advice on the carrying amount of the investment property every five years.

Bath Recreation Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

| | | | |
|---|--|----------------|---------------|
| 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | 2021 | 2020 |
| | | £ | £ |
| Trade debtors | | 47,300 | 1,492 |
| VAT | | 49,264 | 11,119 |
| Prepayments and accrued income | | <u>57,693</u> | <u>85,396</u> |
| | | <u>154,257</u> | <u>98,007</u> |

| | | | |
|---|--|----------------|---------------|
| 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | 2021 | 2020 |
| | | £ | £ |
| Trade creditors | | 58,382 | 5,280 |
| Social security and other taxes | | 4,856 | 4,190 |
| Accruals and deferred income | | <u>100,777</u> | <u>83,134</u> |
| | | <u>164,015</u> | <u>92,604</u> |

Deferred income at 31 March 2021 of £71,625 (2020: £74,343) represents income invoiced in advance.

| | | | | | |
|---|-------------------|------------------|------------------|------------------|------------------|
| 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS | | | | 2021 | 2020 |
| | Unrestricted fund | Restricted funds | Endowment fund | Total funds | Total funds |
| | £ | £ | £ | £ | £ |
| Fixed assets | 1,378,823 | - | 2,410,953 | 3,789,776 | 3,275,831 |
| Investments | 1,135,055 | - | 1,700,000 | 2,835,055 | 2,584,078 |
| Current assets | 556,559 | - | - | 556,559 | 876,852 |
| Current liabilities | <u>(164,015)</u> | <u>-</u> | <u>-</u> | <u>(164,015)</u> | <u>(92,604)</u> |
| | <u>2,906,422</u> | <u>-</u> | <u>4,110,953</u> | <u>7,017,375</u> | <u>6,644,157</u> |

| | | | | | |
|------------------------------------|------------------|-----------------------|-------------------------|------------------|---------|
| 18. MOVEMENT IN FUNDS | | | | | |
| | At 1.4.20 | Net movement in funds | Transfers between funds | At | 31.3.21 |
| | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | |
| General fund | 2,231,829 | 250,002 | 424,591 | 2,906,422 | |
| Restricted funds | | | | | |
| Bath & North East Somerset Council | 301,375 | 123,216 | (424,591) | - | |
| Endowment funds | | | | | |
| Bath Recreation Ground | 4,110,953 | - | - | 4,110,953 | |
| TOTAL FUNDS | <u>6,644,157</u> | <u>373,218</u> | <u>-</u> | <u>7,017,375</u> | |

Bath Recreation Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|------------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 619,419 | (605,850) | 236,433 | 250,002 |
| Restricted funds | | | | |
| Bath & North East Somerset Council | 123,216 | - | - | 123,216 |
| TOTAL FUNDS | <u>742,635</u> | <u>(605,850)</u> | <u>236,433</u> | <u>373,218</u> |

Comparatives for movement in funds

| | At 1.4.19 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.20 £ |
|------------------------------------|------------------|----------------------------------|------------------------------------|--------------------|
| Unrestricted funds | | | | |
| General fund | 2,081,107 | (12,129) | 162,851 | 2,231,829 |
| Restricted funds | | | | |
| Bath & North East Somerset Council | - | 464,226 | (162,851) | 301,375 |
| Endowment funds | | | | |
| Bath Recreation Ground | 4,110,953 | - | - | 4,110,953 |
| TOTAL FUNDS | <u>6,192,060</u> | <u>452,097</u> | <u>-</u> | <u>6,644,157</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|------------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 612,426 | (472,300) | (152,255) | (12,129) |
| Restricted funds | | | | |
| Bath & North East Somerset Council | 464,226 | - | - | 464,226 |
| TOTAL FUNDS | <u>1,076,652</u> | <u>(472,300)</u> | <u>(152,255)</u> | <u>452,097</u> |

Bath & North East Somerset Council

This restricted fund represents the balance of the £2 million funding received from Bath & North East Somerset Council under the settlement agreement to restore and improve the recreation ground and following a variation to the agreement, the Glasshouse playing fields.

Bath Recreation Ground

This endowment fund represents the valuation of the land and buildings known as The Recreation Ground and the Sports Centre built upon it.

Transfers between funds

The transfer represents the funding from Bath & North East Somerset Council that has been spent in the year mainly on improvements to the Glasshouse playing fields.

Bath Recreation Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

19. CONTINGENT LIABILITIES

The charity are party to a Court of Appeal hearing regarding historic property covenants relating to the Recreation Ground. The hearing carries a potential liability of £20,000 - £30,000 for costs which have been considered and authorised by the Trustees

20. RELATED PARTY DISCLOSURES

During the year wages of £2,855 were paid to H Flinn, the son of the Chief Executive Officer J Flinn.

21. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party of the charity.

22. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 £ | 2020 £ |
|---|----------------|-----------------|
| Net income for the reporting period (as per the Statement of Financial Activities) | 373,218 | 452,097 |
| Adjustments for: | | |
| Depreciation charges | 90,262 | 99,216 |
| (Gain)/losses on investments | (236,433) | 152,255 |
| Interest received | (842) | (1,498) |
| Increase in debtors | (56,250) | (33,561) |
| Increase/(decrease) in creditors | 71,411 | (78,061) |
| | <u>71,411</u> | <u>(78,061)</u> |
| Net cash provided by operations | <u>241,366</u> | <u>590,448</u> |

23.. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.4.20 £ | Cash flow £ | At 31.3.21 £ |
|--------------------------|----------------|------------------|-----------------|
| Net cash | | | |
| Cash at bank and in hand | <u>778,845</u> | <u>(376,543)</u> | <u>402,302</u> |
| | <u>778,845</u> | <u>(376,543)</u> | <u>402,302</u> |
| Total | <u>778,845</u> | <u>(376,543)</u> | <u>402,302</u> |

24. CORPORATE STRUCTURE AND LINKED CHARITY

The charitable company is an incorporated charity (the new charity), previously its activities were administered through the Bath Recreation Ground Trust (the old trust). The new charity was incorporated on 21 April 2017, but had no activities or transactions until 1 January 2018 when it took over the old trust's assets and operations, with the exception of the Bath Recreation Ground itself. Under trust law the land of the Recreation Ground cannot be held directly by the Charitable Company. Under a scheme agreed with the Charity Commission, from 1 January 2018, the new charity became the sole Trustee of old trust and the old trust became a linked charity to Bath Recreation Limited (linked charity number 1173521-1) and the assets and activities are included in these accounts under the rules of branch accounting.