



# Everybody Sport & Recreation

## Trustees' Report and Financial Statements

Period Ended 31<sup>st</sup> March 2015

Company Registration No: 08685939

Charity Registration No: 1156084

[www.everybody.org.uk](http://www.everybody.org.uk)



## Contents Page

Trustees, Directors, Principal Officers & Advisors	3
CEO Report	4
Trustees' Annual and Strategic Report	6
Independent Auditors Report	28
Statement of Financial Activities	31
Balance Sheet	32
Cashflow Statement	33
Notes to Financial Statements	35

## Trustees, Directors, Principal Officers & Advisors

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

Company No. 08685939 Charity No: 1156084

### Trustees

The trustees presently serving are:

Andrew Kolker (Chair)	Martin Hardy
Philip Bland (Vice Chair)	Andy Farr
Zoe Davidson	Colin Chaytors
Gillian Benning	Richard Middlebrook
Harry Korkou	Christine Gibbons
Anne Turpin (resigned 22/8/14)	Anita Bradley (resigned 25/9/14)

### Auditors

Crowe Clarke Whitehill, 3<sup>rd</sup> Floor, The Lexicon, Mount Street, Manchester, M2 5NT

### Bankers

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

### Company Secretary

Oakwood Corporate Services

### Principal Officers

Peter Hartwell	<i>Chief Executive</i>
Paul Winrow	<i>Operations Director</i>
Kerry Shea	<i>Finance Director</i>
Thomas Barton	<i>Head of Human Resources &amp; Operational Development</i>
Geoff Beadle	<i>Head of Leisure Development</i>
Jon Winkle	<i>Head of Marketing</i>

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

## Chief Executives Report

***Welcome to our first Annual Performance Report, looking back on our achievements and successes during 2014-15.***

On the 1<sup>st</sup> May 2014, we established Everybody Sport & Recreation in an atmosphere of hope, anticipation and a strong belief that, given the right working environment, we could deliver so much more to our customers. At the same time we were all understandably apprehensive about leaving behind the 'safety net' of the local authority and becoming an independent charitable company.

Any new business has its challenges, especially in its first year of operation, but we have come through everything we have faced and helped make a real difference to the lives of local residents.

I hope to demonstrate the impact we have already had later in this report but for me, this year was about making the break from local authority control, establishing a new culture based on new values, exploiting the potential of our staff's skills & expertise and crucially laying the foundations for a strong, customer-focussed, charitable business.

2014-15 was a year of significant change and development, a time when all staff responded magnificently to the challenges facing them. There can be no doubt they have positioned us well for the future – operationally, culturally and financially. Time and again this year I have been both proud and humbled by the attitude and response of staff to the changes we have had to make in pursuit of creating our new organisation.

Since transfer we have already saved over £1.65M per annum, protecting local centres from the risk of closure as well as allowing major investment in brand new facilities across the borough. At the same time we have spent over £200k on new equipment and facilities in Knutsford, Wilmslow, Alsager and Shavington centres.

We have welcomed over 2.7M customer visits and increased our memberships by over 1,000. Our volunteers have been fantastic throughout the year and we have seen their hours spent supporting us increase to a record 7,200 following the hugely successful Queen's Commonwealth Baton Relay event in Congleton.

We have begun the development of a new working relationship with our key partners of Schools, Clubs and Town & Parish Councils that will help ensure our services continue to operate at the heart of their community, delivering against local need.

"The further back we look, the further forward we can see" – so said Winston Churchill. As I reflect on our first year, filled with fantastic sporting activities and inspirational customer achievements, I can see an exciting future ahead for all of us.

Our plans for 2015-16 can be summarised as 'Investment & Opportunity'. With confidence now in our finances, we will accelerate our spending plans, introduce

innovative new services and create more chances for people to change their lives through participation in active recreation.

We will develop our culture, building an ever-stronger team spirit geared to delivering better services to our customers. We will invest in new products and facilities supported by further training and learning opportunities for staff. Crucially we will create more jobs and apprenticeships in leisure, continuing the recruitment successes and employment growth of our first year.

I am grateful to all our staff for their dedication, loyalty and hard work in making our first year such an overwhelming success. We have done well and thankfully there is always more to do. I look forward to working alongside you in the years to come.

I would like to recognise the work of our Trustees too. They have all freely given so much of their time, experience, skills and expertise to support me and guide our charity. Importantly their challenge and direction to the senior management team has been largely responsible for the wonderful position we now find ourselves in.

Finally, I want to say a big thank you to our customers and members – without you we cannot and will not succeed. We exist to serve you and I hope you have already benefited from our early improvements and investment. Together we can do so much in your communities to improve health & wellbeing and provide 'leisure for life'.

It has been an exciting, busy and rewarding first year – best of all we have only just started.

Best wishes

**Peter Hartwell – Chief Executive 31<sup>st</sup> May 2015**





## TRUSTEES ANNUAL AND STRATEGIC REPORT (being the Companies Act Directors' Report

### Objectives and Aims

*Everybody Sport & Recreation* is a company limited by guarantee with charitable status, formed in May 2014 from the transfer of the leisure services portfolio of Cheshire East Council. We are an independent 'not for profit' organisation and reinvest all surpluses back into the services we provide. This report covers the eleven month period to March 2015, We intend to report on a twelve month period in future years.

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

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

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

In delivering these objects and developing activities for the forthcoming year the Trustees have considered the Charity Commission guidance on public benefit and fee charging. *Everybody Sport and Recreation* relies on a management fee and the income generated from fees and charges to cover its operating costs. In setting the level of fees and charges and concessions for the activities on offer the charity gives careful consideration to accessibility to the facilities and activities for those on low incomes.

*Everybody* is responsible for the day to day management of a range of facilities and leisure development activity through the staff and senior management team.

Strategic direction is provided by the independently appointed Board of Trustees in accordance with the contract and funding agreement with Cheshire East Borough Council. The Board has ultimate responsibility for the governance of the Trust and supports and challenges the senior management team.

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

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

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

An essential part of establishing *Everybody* as an independent charity was to develop a new set of organisational values. These six themes have been produced through a series of staff and Trustee workshops and they will guide our actions in the years ahead.

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

## Our Values

### Fit For The Future

We will give everyone the opportunity to train and enhance their skills by encouraging people to develop themselves and others. Creating and promoting 'careers in leisure'.

### Working As One

We will all work to the common goal of providing "leisure for Life" and support each other in all we do.

### Trusted And Honest

We respect and value the input of every person and at all times act with integrity and respect.

### In The Service Of Others

We will provide first class facilities and services that are well maintained, inviting and valued by our customers.

### Free To Do Our Best

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

### Caring For All

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

The fifteen leisure facilities managed by *Everybody Sport and Recreation* Trust are the main component of the Trust's wider offer to enhance the health and quality of life of the residents of Cheshire East, as well as those who work in or visit the area.

With 2.7 million visits each year from all ages and have over 9,000 members across the borough, the leisure centres provide programmes and activities that contribute enormously to the social, educational and economic life of the community and to the physical and mental health and wellbeing of local people.

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

Our Health Trainer programme is ensuring that we impact on those individuals most in need of our help. Health Trainers provide confidential one to one support and guidance to adults who want to improve their health. During this initial phase we have taken 290 referrals from GP practices with dramatic results. By week 12 of the programme 59% of people were achieving the recommended moderate activity levels compared to 19% at week 1. Blood Pressure significantly decreased in all attendees. Clients on prescription medication reported a 50% decrease by the end of the programme. Whilst these benefits over the 12 week programme are significant, all indications show that the longer term benefits are going to be even greater with 52% of clients taking on an Everybody Membership at the end of their programme.

We offer concessionary rates to ensure that we can maximise our public benefit to all communities within Cheshire East. The Everybody Sport and Recreation Options Scheme offers discounted packages to people with financial restrictions, by giving savings of 40%. Of our 9,000 membership, 35% are on the Options Scheme.

Involvement in sport and active recreation has the potential to enable everyone to gain access to an avenue of activity and social networks which will remain with them throughout their lives, for some it will lead to performance at the highest level.

Our development programme ensures that pathways and structures are in place to enable people to learn basic skills, participate in an activity of their choice, develop their competencies and reach levels of performance according to their individual aspirations and ability.



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

## Achievements and Performance

### **1. Grow an ethical and sustainable business**

Our first year has proved very successful financially despite the inevitable one-off costs for any new business in building a new website, re-branding where necessary and setting up new systems and procedures. We set out to ensure the Trust has a sound financial base from which to expand and invest and we have achieved a good surplus. This will be re-invested in our services in accordance with our business ethos and our Reserves Policy.

In addition, after detailed negotiations with Cheshire East Council, we have secured a fair and reasonable settlement for 2015-16, equally sharing the current cost pressures and accounting 'errors' in the original fee level.

Crucially we have delivered on our savings target and achieved over £1.65M of annual savings – equating to almost £25M over the life of our contract. This saving has helped keep front-line centres open for business and fund new facilities at a time when many Councils are facing difficult decisions on spending priorities.

We ensured that over £200,000 has been spent in our centres with investment on new equipment, gym / studio refurbishments at a number of our facilities and of equal importance, the training & development of our staff.

We have continued to play a key role in the Council's major investment plans for both Crewe Lifestyle and Congleton Leisure Centres, helping with the design and operational requirements to optimise the social and financial return on this significant investment. These projects are now well underway and will provide much improved services and facilities for leisure and for the future regeneration of these towns.

### **OVER 40 NEW CAREERS IN LEISURE**

Since the launch of the Trust in May 2014, Everybody has been able to recruit over 80 new roles in leisure including cleaners, receptionist's, lifeguards and managers. The

recruitment drive is continuing in 2015 as the trust aims to create more permanent roles in the leisure industry, relying less on casual staff.

### **1000 NEW EVERYBODY MEMBERS!**

We have welcomed 1000 new members since the launch of the Trust. Thank you all for choosing us and we look forward to helping you all achieve your health and fitness goals!

### **PLANNED £4M INVESTMENT IN MACCLESFIELD LEISURE CENTRE**

We have also helped Cheshire East Council put together their business case for the planned £4M investment at Macclesfield LC from 2016-17.

## **2. Provide a great customer experience**

Like any business, our customers are our lifeblood. Without satisfied customers we will fail and services will be put at risk. We have maintained and in some cases improved our leisure industry quality accreditation (QUEST) scores for all centres and with Health & Safety remaining our top priority, I am pleased to see a significant reduction of 17% in accidents for both customers and staff. There is no room for complacency and we will continue to invest and prioritise health & safety for all.

We carried out a detailed customer survey in our centres and for the first time, made this available on-line. This more than doubled the responses we had received in previous years and established our 'baseline' performance at an overall 80% satisfaction. Importantly, it identified key strengths we want to build upon as well as areas we must improve such as the provision of catering and refreshments, cleanliness and maintenance standards.

Our staff scored almost 9/10 for their friendliness and knowledge and we have sought to develop that good relationship with our visitors by delivering formal customer service training for all staff and in a number of centres, improved the look and feel of our reception desks and areas. By simply removing the glass partitions between staff and their customers we can say welcome more effectively.

We have increased opening hours at a number of centres where customers told us they would like to visit us earlier in the day and invested in the outdoor brine pool at Nantwich to open a month earlier than previously. These facilities belong to our communities and we have worked hard to ensure we maximise access to them.

To better understand the needs of our customers and then direct our resources to meet them, we carried out extensive market research and analysis. From this we have prepared our first Marketing Strategy which will be vital in re-shaping our

services and offer to maximise participation and enjoyment for everyone, whatever their age or ability.

I am delighted that, as a result of the savings we have made and having been able to operate more efficiently as an independent charity, we have once again been able to hold all our prices for the second year running at the level set by Cheshire East Council in 2013. Price cannot be a barrier to improved health and we must ensure access to leisure and recreation for all.

### **TRIATHLON SEASON**

Everybody saw some fantastic triathlon and duathlon events during 2014 in Macclesfield, Wilmslow, Nantwich Outdoor Pool and Poynton.

### **HEART SAFE GYM OF THE YEAR SHORTLIST**

In the last 12 months we have trained over 250 of our staff from lifeguards to managers to use the AED's (defibrillators). Due to this we were nominated for Heart Safe Gym of the Year and made it to the final shortlist.

### **WILMSLOW GETS NEW SPIN BIKES**

Wilmslow now have a suite of new spin bikes (Matrix ic3) in the fitness suite with two of them hooked up to the Matrix myride. This enables you to do a virtual instructor led or custom made session without an instructor

### **NEW ALSAGER GYM OPENING**

Alsager has been refitted with a brand new fitness suite, comprising of top of the range equipment. The suite now has brand new Matrix CV and Resistance Training equipment including the sought after Elliptical trainer that works the whole body! The official opening was in January with special guests including Olympic Freestyle Skier Rowan Cheshire and Swimming Athlete Olivia Cork!

### **INCREASED CENTRE OPENING**

Due to customer feedback Everybody made the decision to increase opening hours of the leisure centres during the Christmas Holiday and Bank Holiday Seasons. Wilmslow Leisure Centre even opened on Boxing Day welcoming customers who wanted to burn off their turkey dinners in the gym and pool!

### **ZERO TO HERO PARTNERSHIPS**

Everybody has collaborated with fitness event organisers across the UK to launch exclusive member benefits including discounts and merchandise. Members who signed up to the Everybody Challenge can now go from Zero to Hero by taking their training to the next level and committing to take part in events such as Born Survivor, Hell Runner and the UK Triathlon Series.

### **SHAVINGTON'S NEW FUNCTIONAL TRAINING RIG**

Shavington's gym has recently been improved with the addition of a new functional rig. It is designed with a number of pull bars as part of its framework with separate attachments, TRX Suspension and a punch bag to work a variety of muscles groups.

### **HOLMES CHAPEL 3G PITCH OPENING**

Former England international footballer Dean Ashton opened Holmes Chapel's new 3G pitch on 11th February. Everybody is working with Holmes Chapel Comprehensive School to manage bookings for football tournaments, walking football, junior coaching, girls football and more!

### **FREE PARKING FOR NANTWICH POOL CUSTOMERS**

From 1st May Everybody customers will benefit from up to two hours free parking when using the facilities at Nantwich Pool. This is as a result of a recent customer survey and following the support of Cllr David Marren.

### **STUDIO IMPROVEMENTS IN KNUTSFORD**

The 'Attic' Room was refurbished earlier in the year creating a fantastic new fitness studio for a range of classes.

### **EARLY MORNING OPENING FOR MACCLESFIELD & WILMSLOW CENTRES**

Due to customer demand both these centres are now open much earlier in the morning for anyone looking to exercise before their journey to work!

### **NANTWICH POOL OPENS EARLY FOR SUMMER**

Nantwich Brine Pool has been opened a month earlier than in previous years following customer feedback in 2014. Our early investment to get it ready sooner recognises it is an important destination facility for visitors and we are proud it has been named one of Britain's best outdoor pools by the Daily Telegraph.

## **3. *Develop our people to be the best***

Staff development is absolutely vital if we are to empower them to act in the best interests of our charity and our customers, day-to-day.

Building a new culture, true to our new values, has been a key aim for our first year. We set out to emancipate staff from the bureaucracy and centralised control of a local authority environment, allowing them the freedoms and flexibility to respond to customers' needs and look to improve services every day.



Our hugely successful volunteer programme continues to go from strength to strength and this year we saw our very own Daniel Massey win the National Volunteers Volunteer of the Year Award.

During 2014/15 80 new volunteers joined our volunteer programme. In total our volunteers contributed 7,076 hours in a variety of areas, some within our facilities but many more out in the community through our Street Sports programme and Nordic Walking Groups. Volunteers, following training, go out into clubs across the Cheshire East area making the impact and reach of such a programme even more dramatic.

We set out to reduce our reliance on and use of 'casual' contractual arrangements for staff and in doing so we have created over 80 permanent jobs across the business. This gives staff the security they need in their lives as well as securing the necessary staffing resources we need to plan and deliver our services.

We have reorganised our management structures, saving over £125,000 per annum whilst at the same time investing in operational centre teams, our outreach service and marketing activity. All geared to develop and improve our service offer to customers and communities.

It is testament to the morale and calibre of our staff that, in order to achieve a saving of £350,000 per annum required by CEC, they individually agreed to give up their previous entitlement to weekend pay enhancements enjoyed under Local Government Terms & Conditions. They did this knowing that it was essential to the future commercial viability of the Trust and I am indebted to them for their commitment to and support for the services we provide to local people.

#### **UK VOLUNTEER OF THE YEAR WINNER**

Daniel Masser's story of bravery, dedication and determination was rewarded with the North West Winner and Volunteer's Volunteer Award, as voted for by fellow volunteers from all around the country, at The Co-operative Street Games Young Volunteers awards.

#### **LIFEGUARD TRIATHLON WINNER**

A record number of lifeguards took part in the 9th annual CIMSPA & IQL UK lifeguard triathlon. 981 lifeguards from 58 pools across the UK competed and our very own Adam Frost was crowned overall winner with a perfect 100% score!

#### **EMPLOYEE OF THE YEAR**

Hilary Pemberton was awarded Employee of the Year after making an exceptional contribution to the new organisation at Macclesfield Leisure Centre consistently going above and beyond in her role as Duty Manager. She was voted for by customers, colleagues and her manager.

### **APPRENTICESHIP SCHEME LAUNCH**

From 1st May, Everybody is providing 10 apprenticeship opportunities to gain first hand experience of a number of areas within the leisure trust. Opportunities include Leisure Operations, Leisure Development and Business Support.

### **NATIONAL CAREERS WEEK JOB SWAP**

Members of staff from different areas of the business took part in a job shadow day to find out more about their colleagues. CEO Peter Hartwell took part swapping his suit for swimming shorts and helping swimming teachers with their lesson!

## **4. Build strong communities and effective partnerships**

We got off to the very best of starts in engaging the community at the Queen's Commonwealth Baton Relay event in Congleton. With over 10,000 people attending we rekindled the local legacy of the Olympic Torch Relay in 2012. As a result we have seen a record year for volunteering.

We have worked with CEC and Schools to assist the transition from the historical 'joint-use agreements' for some of our centres to broker a new arrangement that continues to support schools to deliver their curriculum whilst improving community access to these leisure facilities on a daily basis.

Our 'Bikeability' Scheme has trained over 6,000 Years 3 & 4 schoolchildren – over 700 more than the DfT-funded target.

### **CONGLETON QUEENS BATON RELAY**

Thousands of cheering families welcomed the Queen's Commonwealth Baton Relay to Congleton.

They flocked to enjoy a community event marking a milestone in the town's history as the only non-city in England selected to host the baton on its epic journey to Glasgow.

Everybody Leisure staff staged a wide range of sport-related activities to encourage a healthy lifestyle with families enjoying taster sessions at Congleton Leisure Centre and fun sport in the park.

## **SUMMER HOLIDAY PROGRAMME**

Every year our centres create a fun-filled programme of activities for families during the summer holidays. In 2014 the leisure development team included a day-long street sports tournament at the Cumberland Arena which saw 7 a-side teams compete to be 'Street Sports Champions' for 2014 with ages ranging from 8 to 16 years and 16 to 25 years.

The programme also included Sandbach Leisure Centre supporting the National Play Day in the town park hosting sports themed activities for both children and adults including the step challenge and football goal challenge.

## **NATIONAL TABLE TENNIS TOURNAMENT**

The Special Olympics GB 2014 National Table Tennis Tournament returned to its regular home at Sir William Stanier Leisure Centre in Crewe on 10 – 11 May. The annual event, organised by the South Cheshire Special Needs Table Tennis Club for the last twenty years, saw players from all over Britain take part with the Crewe-based club winning over thirty of the medals available.

## **EVERYBODY THEATRE'S FIRST SELL OUT PANTOMIME**

For one night only Alsager Leisure Centre transformed the Sports Hall into a theatre and hosted its first ever pantomime 'Cinderella'. Oh no you didn't, oh yes we did!

The night was a resounding success with over 200 tickets sold to families of all ages. We would love to hear more ideas of how our sports halls can be transformed!

## **RUNNING CLUBS IN NANTWICH, CREWE AND POYNTON LAUNCHED**

Run leaders in locations across Cheshire East have launched a number of running clubs to help Everybody customers start on their fitness journey. Whether a complete beginner or training for an event the running clubs cater for all and are welcoming more members to join throughout the year.

## **RECORD YEAR FOR VOLUNTEERING**

Our Volunteer scheme saw a record year with 7,076 hours of volunteering. Our volunteers are vital in delivering coaching, play schemes and supporting with events and activities throughout Cheshire East.

## **6,000 CHILDREN TRAINED WITH BIKEABILITY**

Bikeability scheme over achieved with in excess of 6,000 Years 3 & 4 children trained (DfT funded 5,300 spaces).

## **5. Change lives through healthy recreation**

There are so many individual, team, club and community stories that demonstrate the power of sport and recreation in tackling so many of our society's challenges, we have space to tell just a few of them here. In truth, such personal and public triumphs are the real measures of our success and in my view, are themselves worth the investment in leisure services alone.

Our first brand new product – 'Everybody Healthy' sought to take on a wide-range of health determinants including smoking, obesity and inactivity with participants being referred by their GP or by themselves to work on a one-to-one basis with our qualified Health Trainers. Recent independent evaluation of the scheme by MMU concluded "the Everybody Healthy pilot indicates a positive impact on meaningful outcomes.....and every attempt should be made to ensure its continuance" This we will do, developing the offer further and expanding its availability across the Borough through our network of facilities.

Our Awards Evening celebrated the achievements of Cheshire East residents during 2014 and, in many cases, over a lifetime of dedication, to sport and recreation in their communities and clubs. Again, we will build on this Awards Evening success and get bigger and better in the years to come, recognising more people for their often unsung efforts.

### **CREWE POOL 100 MILE CYCLE CHALLENGE**

A team from Crewe Pool took part in the 100 mile challenge to raise money for cancer. The challenge included climbing Snowdon (8miles), biking back to Crewe (90miles) and swimming 108 lengths (2 miles) – all in one day. Thanks to everyone's generosity they managed to raise £3,011.90!

### **EVERYBODY HEALTHY PILOT LAUNCHED**

Everybody in partnership with Cheshire East Council Health Improvement Team is piloting a new lifestyle programme in Crewe and Nantwich targeting those who are overweight, who smoke, are inactive or have mental health issues. Health Trainers work on a one-to-one basis providing specialist fitness, nutrition and lifestyle advice.

### **EVERYBODY AWARDS**

On 20th November 2014 the Everybody Awards were held at Cranage Hall, Cheshire where inspiring volunteers, sporting clubs, and individuals from the region gathered to be recognised for their achievements and helping change lives through healthy recreation.



### **EVERYBODY CHALLENGE SIGN UPS!**

It only takes 30 minutes of exercise five times per week to change your life. 100's of our Everybody customers and sporting stars signed up to the Everybody Challenge in 2014-15 to pledge to get more active and are now taking on phase two – Zero to Hero event challenges!

### **STUART LOSES 9 STONE**

Stuart has been coming to Nantwich Pool for a couple of years and when he first started to lose weight he was 24 stone 8lbs. He recently set himself a target to lose as much weight as he could in 6 months. By taking on the Everybody Challenge he has been able to lose an incredible 9 stone.

### **ED AN INSPIRATION TO MS SUFFERERS**

Ed Weenski from Wilmslow has been a true inspiration not only to other MS sufferers but to anyone who has given all the excuses they could think of to avoid exercising.

Ed is in a wheelchair because he has primary progressive multiple sclerosis, primary progressive meaning it gets worse as he gets older affecting his lower body more than anything else. Going to the gym at Wilmslow Leisure Centre has turned his life around, helping him battle depression, get fit and keep his body strong.

Ed is now a member of the MS Society in Macclesfield regularly attending to inspire others, socialise and take part in the new activity hub.

### **ANDREW ASPIRE CHALLENGE**

When Andrew was just a young boy he ran out in front of a car to fetch his football. Andrew suffered severe spinal cord injury's and has been in a wheelchair ever since. He took on the Aspire Channel Swim Challenge at Wilmslow Leisure Centre to raise funds for people with spinal cord injury. That's swimming 22 miles in 12 weeks at his local leisure centre pool!

### **JULIAN TAME RETURNS BACK TO WORK**

Julian Tame, last year suffered a heart attack which meant he could no longer work. He desperately needed to get himself fit and healthy so he decided to take on the Everybody Challenge at Wilmslow Leisure Centre by joining the Active Hearts rehab group.

One year later and Julian is now not only back to work but cycling there too in all weather conditions!

### **LOCAL ATHLETES OLIVIA CORK & ROWAN CHESHIRE JOIN APA PROGRAMME**

After losing her leg to bone cancer at 14, Olivia is now making great achievements in her swimming and competing at international level this year. Rowan Cheshire is a

British freestyle skier currently training to compete in the 2015 winter games. Both athletes are now part of the Athlete Performance Academy which is designed to support individuals who are training and competing in sport at regional, national and international level.

### **WALKING FOOTBALL A HIT!**

Walking Football is proving to be ever-more popular at our sites including the Barony Sports Complex and Macclesfield Leisure Centre helping the over 50's get back into the game. A great way to socialise and keep active!

### **BILL JOHNSON WALKS AGAIN**

In 2009 Bill had an accident, where a tree fell on his legs, taking two inches out of the top of his left leg; resulting in a major soft tissue injury to upper left leg and DVT to lower left leg, plus a damaged sciatic nerve to the right leg. He came in to Macclesfield Leisure Centre on two sticks and bent double, he could hardly walk. The fitness staff took the time to help Bill get fit and now in October 2014 he can walk without sticks, he can climb stairs and has lost 4 stone in weight!

### **PATRICIA CAN NOW HAVE A FAMILY LIFE**

Joining Macclesfield Leisure Centre has opened up a new lease of life for Patricia, radio presenter at Canalside Radio. She always wanted to join the gym and used to peer through the doors, she had a fear of joining the gym.

After an illness she suffered a lot of problems and needed to do something to kick start back up again. She is now able to play with her 8 year old granddaughter which was her main goal!

### **WINNER LIFETIME MEMBERSHIP**

Robert Evans from Alsager was crowned winner of the Everybody Challenge prize draw winning a lifetime membership with Everybody. Picked at random Robert is now utilising the gym and pool to train for his first triathlon at Nantwich on 31<sup>st</sup> May. He has even taken up adult swimming lessons to perfect his technique.

## Trustees

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

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

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

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

*The senior management team comprises:*

<b>Peter Hartwell</b>	<i>Chief Executive</i>
<b>Paul Winrow</b>	<i>Operations Director</i>
<b>Kerry Shea</b>	<i>Finance Director</i>
<b>Tom Barton</b>	<i>Head of Human Resources &amp; Organisational Development</i>
<b>Geoff Beadle</b>	<i>Head of Leisure Development</i>
<b>Jon Winkle</b>	<i>Head of Marketing</i>



**Andrew Kolker**  
Chair



**Phil Bland**  
Finance & Risk  
Sub Committee



**Zoe Davidson**  
Finance & Risk  
Sub Committee



**Andy Farr**  
Customers &  
Partners Sub  
Committee



**Gill Benning**  
Finance & Risk  
Sub Committee



**Christine Gibbons**  
Customers &  
Partners  
Sub Committee



**Harry Korkou**  
Customers &  
Partners  
Sub Committee



**Colin Chaytors**  
People &  
Governance  
Sub Committee



**Martin Hardy**  
People &  
Governance  
Sub Committee



**Richard  
Middlebrook**  
Customers &  
Partners  
Sub Committee



## Governance

### Governing Document

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

### Trustee Induction and Training

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

### Board and Sub Committee's

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

### Statement of Trustees Roles & Responsibilities

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

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

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

In so far as the trustees are aware:

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

### **Public Benefit**

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

### **Reserves Policy Statement**

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

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

The Trustees have reviewed the Trust's reserve policy and have concluded to aim to hold enough free reserves to ensure that the Trust is able to continue all operations and services for a period of at least 1 month should a significant part of our income not be realised.

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

## Risk Management

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

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

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

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

## Financial Review

### Investment Powers, Policy and Performance

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

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

Everybody Sport and Recreation's finances have shown a healthy return for an organisation in its first year, we have surpassed the budget by £109,840.

Our overall income figure is £12,630,995 which includes £2,900,000 for Donations for the use of the Leisure Centres, which remain under Cheshire East Council's ownership. £2,535,000 refers to income received from Cheshire East under our Operating Agreement, £6,588,605 income was received during the year from customers and £44,316 trading income was received from our social areas and £286,788 income was received from restricted sources.

The Unrestricted activities for 2014/15 show an income of £12,344,207 with outgoing resources of £12,432,765 for the year, leaving us with a Net Unrestricted Expenditure of £88,558 for our first year. £2,602 was transferred to our restricted funds. This Expenditure involves a national pension service cost of £301,000, when this is taken out we are left with a net operating unrestricted income of £212,442 which is a positive position for our first year of trading.

Everybody Sport and Recreation's restricted funds received income within the year of £283,548 from funders plus £3,240 from individuals making a total restricted income of £286,788. Expenditure for the year was £289,390 leaving a slight deficit of £2,602 which was offset against unrestricted funds.

Of these Unrestricted Reserves of £209,840, £165,274 are designated for specific expenditure in line with Everybody Sport and Recreation Strategic Plan.

£1,204 is set aside for use on staff development and support, this amount relates to the monies earned from the Staff Membership Scheme.

£21,000 is designated for use in further developing our Training Academy by increasing participation in training, recruiting apprentices and establishing our external training offer.

£74,070 has been set aside to fund ongoing depreciation amounts for the Alsager Gym Refurbishment, Wilmslow Spinning Bikes and Shavington Equipment.

£30,000 is designated for new signage across our two largest sites, the signage is currently very dated in many sites and requires a complete overhaul. Most sites have minimal Everybody Sport and Recreation branding. To increase staff motivation and customer acceptance the signage is an important requirement.

£24,000 is held in reserve designated for the Knutsford Leisure Centre "Attic" refurbishment – this will upgrade a little used area into a fully functioning multi use studio. Research and experience suggests that Knutsford has demand for such a facility and that it will generate additional income going forward from such a facility, via both increased memberships and class fees.

£15,000 is designated for our systems upgrade. The finances are currently run on Oracle, this system is too complex, large and inflexible for managing Charity finances of an organisation of Everybody Sport and Recreation's size. We wish to implement a more suitable system during 2015/16.



## **Funding Sources**

Everybody Sport and Recreation's principle funding sources for 2014/15 were membership fees, swimming lesson income, general swimming, class fees and sports hall hire.

A significant proportion of our income came from our contract with Cheshire East Council; this contract refers to the operating of 15 leisure centres across the Cheshire East area. The contract is for 10 years with a possible 5 year extension built in, during 2014/15 this accounted for £2,535,000.

Everybody Sport and Recreation Annual Report and financial statements for the year ended 31 March 2015 have been prepared by the trustees in accordance with the Charities Act 2011.

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

## **Related Parties, Partnership Working and Network**

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

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

Everybody Sport and Recreation participate in several key and strategic partnerships representing the interests of our customers, and the wider Sport and Recreation arena. At a national level Everybody Sport and Recreation is a member of "Sporta" (the national association of leisure and cultural trusts), UK Active and LFX (a network for professionals working in the UK fitness industry).

## **Strategic report**

The principal activities of the company in the course of the year are referenced in the Aims and Objectives section of the Trustees Annual and Strategic Report.

Since the end of the financial year Everybody Sport and Recreation has signed a 24 year lease on another facility, namely the Holmes Chapel Community Centre, which is owned by the Holmes Chapel Parish Council and will be operated and managed by Everybody. This facility is due to open on the 28<sup>th</sup> November 2015.

The future developments for Everybody Sport and Recreation are referred to in the Chief Executives Report and the Trustees Annual and Strategic Report.

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

The Risk Management Statement is shown on page 23 of the Trustees Annual and Strategic Report. No hedge accounting is used by the company.

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

Employee expenditure is the largest portion of cost for Everybody as we operate in a service industry arena, as such our employees are very important to the growth and development of our business. We have plans during 2015/16 to achieve our Investors in People accreditation, alongside the development of our training academy which will ensure that every employee is trained to the highest levels so that they may fulfil their roles safely and to exceptional standards.

At Everybody we encourage new applications from disabled persons into both paid employment and volunteer roles, we have a robust equal opportunities policy, and all managers within Everybody are trained in following and embedding this policy not only for new employees but also for current employees that may become disabled during their current service with us. We have a budget for equipment adaptations and additional training that may be required for staff that become disabled to allow them to continue in their current role. Should continuing in their current role no longer be viable then solid alternative internal positions will be sought, following consultation with the individual involved and looking at each person's individual circumstances. At Everybody one of our strategic aims is to "Develop our people to be the best" and we strive to achieve that with all employees regardless of disability.

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

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

Secondly as a whole organisation we have a monthly staff newsletter that is provided to every employee and all employees are encouraged to suggest content, we also hold six-monthly staff presentations to which all employees are invited and involves presentations by the chief executive and Senior Management Teams followed by an open Question and Answer session to which all staff are encouraged to contribute.

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

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

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

The Directors at this time can confirm:

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

This report, which incorporates the Strategic Report, was approved by the Trustees on 16<sup>th</sup> December 2015 and signed on their behalf by Andrew Kolker.



**Andrew Kolker - Chair**

**Date: 16th December 2015**

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF EVERYBODY SPORT AND RECREATION FOR THE YEAR ENDED 31 MARCH 2015 (REGISTRATION No 08685939)**

We have audited the financial statements of Everybody Sport & Recreation for the year ended 31 March 2015 which comprise the Statement of Financial Activities, Balance Sheet and the related notes numbered 1 to 19. 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).

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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and Auditors**

As explained more fully in the Trustee's Responsibilities Statement set out on page 21, the directors (who are also the Trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the Audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed;



- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report and the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. In addition, we read all the financial and non-financial information in the Strategic report, Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

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 2015, and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

Signature.....*Vicky Szulist*.....

Date: *22nd December 2015*

Vicky Szulist (Senior Statutory Auditor)

For and on behalf of:

Crowe Clark Whitehill

Statutory Auditor

Chartered Accountants

The Lexicon,

Mount Street,

Manchester

M2 5NT

## Statement of Financial Activities period ended 31st March 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 1/5/14- 31/3/15 £	Total 11/9/13- 30/4/14 £
<b>Income:</b>					
Donations and Legacies	2	2,966,241	-	2,966,241	-
Charitable Activities	3	6,588,605	3,240	6,591,845	-
Other Trading Activities	4	44,316	-	44,316	-
Grants & Contracts	5	2,745,045	283,548	3,028,593	-
<b>Total Income</b>		<b>12,344,207</b>	<b>286,788</b>	<b>12,630,995</b>	<b>-</b>
<b>Expenditure on</b>					
<b>Charitable Activities</b>					
Other Trading Activities	6	47,994	-	47,994	-
Charitable Activities	7	12,384,771	289,390	12,674,161	-
<b>Total Expenditure</b>		<b>12,432,765</b>	<b>289,390</b>	<b>12,722,155</b>	<b>-</b>
<b>Net Income</b>					
<b>(Expenditure)</b>		<b>(88,558)</b>	<b>(2,602)</b>	<b>(91,160)</b>	<b>-</b>
Transfers Between Funds		(2,602)	2,602	-	-
<b>Other Recognised</b>					
<b>Gains / (Losses)</b>					
Pension Deficit at Transfer		(2,456,000)	-	(2,456,000)	-
Actuarial Gains / (Losses) on Defined Benefit Pension Schemes		(1,685,000)	-	(1,685,000)	-
		(4,141,000)	-	(4,141,000)	-
<b>Total funds / (losses) carried forward</b>		<b>(4,232,160)</b>	<b>=</b>	<b>(4,232,160)</b>	<b>-</b>

The Statement of Financial Activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

<b>BALANCE SHEET AS AT 31 March 2015</b>		<b>31 March 2015</b>	<b>30 April 2014</b>
		<b>£</b>	<b>£</b>
<b>Fixed Assets:</b>			
Tangible Fixed Assets	11	74,070	-
<b>Total Fixed Assets</b>		<b>74,070</b>	<b>-</b>
<b>Current Assets:</b>			
Stocks		64,379	-
Debtors	12	452,852	-
Cash at bank and in hand		1,035,296	-
<b>Total Current Assets</b>		<b>1,552,527</b>	<b>-</b>
<b>Liabilities:</b>			
Creditors: amounts due within one year	13	(1,416,757)	-
<b>Net Current Assets/(Liabilities)</b>		<b>135,770</b>	<b>-</b>
<b>Total Assets Less Current Liabilities</b>		<b>209,840</b>	<b>-</b>
Provisions for Liabilities		-	-
Net Asset or Liabilities excluding pension Asset or Liability		209,840	-
Defined Benefit Pension Scheme Asset or Liability		(4,442,000)	-
<b>Total Net Assets or Liabilities</b>		<b>(4,232,160)</b>	<b>-</b>
<b>Funds of the Charity:</b>			
Unrestricted General Funds	14	44,566	-
Unrestricted Designated Funds	14	165,274	-
Pension Reserve		(4,442,000)	-
<b>Total Funds</b>		<b>(4,232,160)</b>	<b>-</b>

These Financial Statements were approved and authorised for issue by the Board on

16<sup>th</sup> December 2015 and signed on their behalf by

  
Andrew Kolker



## CASHFLOW POSITION FOR PERIOD END 31<sup>st</sup> March 2015

01 May 2014 – 31 March 2015		
	Total funds	Table
	£	
<b>Cash Flows from operating activities</b>		
Net cash (outflow)/inflow from operating activities	1,127,884	1
Capital Expenditure	(92,588)	2
Financing	-	
<b>Increase/(Decrease) in cash in period</b>	<u>1,035,296</u>	2
<b>Reconciliation of net cash flow to movement in net debt</b>		3
Decrease in cash in the period	1,035,296	
Change in net debt resulting from cashflows	<u>1,035,296</u>	
	1,035,296	
Movement in net debt in the period	<u>1,035,296</u>	
Net Debt at 31 <sup>st</sup> March 2015	<u>-</u>	

**Table 1**

	01 May 2014 – 31 March 2015	11 Sept 2013 – 30 April 2014
	£	£
<b>Net movement in funds for the reporting period (as per the statement of financial activities)</b>	209,840	-
Adjustments for:		
Depreciation charges	18,518	-
Dividends interest and rents from investments	-	-
Loss / (profit) on sale of fixed assets	-	-
(Increase)/decrease in stocks	(64,379)	-
(Increase)/decrease in debtors	(452,852)	-
Increase/(decrease) in creditors	(1,416,757)	-
<b>Net cash provided by (used in) operating activities</b>	1,127,884	-

**Table 2**

	01 May 2014 – 31 March 2015	11 Sept 2013 – 30 April 2014
	£	£
Cash in hand	1,035,296	-
Notice deposits (less than 30 days)	-	-
Overdraft facility repayable on demand	-	-
<b>Total cash &amp; cash equivalents</b>	1,035,296	-

**Table 3**

	01-May-14	Cash flows	31-Mar-15
Cash in hand at bank	-	1,035,296	1,035,296
	-	1,035,296	1,035,296

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

The Accounts cover the 11 month period ended 31<sup>st</sup> March 2015, the comparatives refer to the dormant period 11<sup>th</sup> September 2013 to 30<sup>th</sup> April 2014. The financial statements are prepared under Companies Act 2006, and in accordance with the Financial Reporting Standard 102 (FRS 102) and follow the recommendations in 'Accounting and Reporting by Charities: Statement of Recommended Practice' issued in 2015 (SORP 2015). The Trust meets the definition of a public benefit entity. The charity has adopted FRS 102 and SORP 2015 earlier than the required date.

#### 1.2 Going Concern

The Trustees have considered the financial position of the Trust, the levels of free reserves and the 2015/2016 budget, as a consequence, the Trustees believe that the charity is well-placed to manage its business risks successfully through these uncertain times.

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

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

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

#### 1.3 Incoming resources

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

Donations and Legacies includes an amount equal to a notional rental expenditure for the use of Cheshire East Council facilities.

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

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

Trading income refers to income generated for the bar operations in four of our sites.

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

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

#### **1.4 Fund accounting**

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

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

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

#### **1.5 Stock accounting**

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

#### **1.6 Resources expended**

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

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



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

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

### **1.7 Tangible fixed assets and depreciation**

Fixed assets over the value of £5,000 are capitalised with all assets valued at historic cost.

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

Property	50 years	2%
Gym/Studio Equipment	5 years	20%
Furniture	4 years	25%
Swimming Equipment	3 years	33.3%
Computers/IT	3 years	33.3%
Electrical Equipment	3 years	33.3%

### **1.8 Leasing**

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

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

### **1.9 Deferred income**

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

### **1.10 Pensions**

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

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

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

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

Everybody Sport and Recreation is showing an Operating Surplus prior to the Pension Service Costs (£301,000) as shown in note 1.11 below. The Service Costs and Pension Movements that we are required to show in our accounts under FRS 102 rules include changes in actuarial assumptions and other adjustments that do not impact on the operational cashflow of the charity.

## 1.11 Operating Surplus (with Pension Costs Removed)

	Notes	Unrestricted Funds £	Restricted Funds £	01/05/14 31/03/15 £	11/09/13 30/04/14 £
<b><u>Income:</u></b>					
Donations and Legacies	2	2,966,241	-	2,966,241	-
Charitable Activities	3	6,588,605	3,240	6,591,845	-
Other Trading Activities	4	44,316	-	44,316	-
Grants & Contracts	5	2,745,045	283,548	3,028,593	-
<b>Total Income</b>		<b>12,344,207</b>	<b>286,788</b>	<b>12,630,995</b>	<b>-</b>
<b><u>Expenditure on Charitable Activities</u></b>					
Other Trading Activities	6	47,994	-	47,994	-
Charitable Activities	7	12,083,771	289,390	12,373,161	-
<b>Total Expenditure</b>		<b>12,131,765</b>	<b>289,390</b>	<b>12,421,155</b>	<b>-</b>
<b>Net Income (Expenditure)</b>		<b>212,442</b>	<b>(2,602)</b>	<b>209,840</b>	<b>-</b>
Transfers Between Funds		(2,602)	2,602	-	-
<b>Operating Surplus / (Deficit)</b>		<b><u>209,840</u></b>	<b>=</b>	<b><u>209,840</u></b>	<b>=</b>
<b>Funds of the Charity:</b>					
Unrestricted Funds	14	44,566			
Designated Funds	14	165,274			
<b>Total Funds</b>		<b><u>209,840</u></b>			

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

## 2. Donations and Legacies

	01 May 2014 – 31 March 2015	11 Sept 2013 – 30 April 2014
Cash Floats transferred from Cheshire East Council.	6,180	-
Resale Stock transferred from Cheshire East Council.	59,631	-
Marketing Events.	430	-
Use of Buildings Owned by Cheshire East Council.	2,900,000	-
<b>Total Income</b>	<b>2,966,241</b>	<b>-</b>



### 3. Charitable Activities

	01 May 2014 – 31 March 2015	11 Sept 2013 – 30 April 2014
	£	£
Income from Leisure Facilities & Other Sources:		
Alsager LC	455,758	-
Barony Park Sports	121,858	-
Congleton LC	475,015	-
Crewe Pool	500,818	-
Holmes Chapel LC	112,803	-
Knutsford LC	536,456	-
Macclesfield LC	1,105,965	-
Middlewich LC	150,737	-
Nantwich Pool	768,186	-
Poynton LC	321,484	-
Sandbach LC	462,071	-
Shavington LC	401,319	-
Sir William Stanier LC	87,366	-
Victoria Community Centre	198,703	-
Wilmslow LC	691,994	-
Cumberland Arena	51,415	-
Other Sources	149,897	-
<b>Total Income</b>	<b>6,591,845</b>	

#### 4. Other Trading Activities

	01 May 2014 – 31 March 2015	11 Sept 2013 – 30 April 2014
	£	£
Bar Income	44,316	-
<b>Total Income</b>	<b>44,316</b>	<b>-</b>

#### 5. Grants & Contracts

	01 May 2014 – 31 March 2015	11 Sept 2013 – 30 April 2014
	£	£
CEC Management Fee	2,535,000	-
Streetsports	124,840	-
Cycling Project Delivery	234,507	-
Other Sources	134,246	-
<b>Total Income</b>	<b>3,028,593</b>	<b>-</b>

## 6. Other Trading Activities

	01 May 2014 – 31 March 2015	11 Sept 2013 - 30 April 2014
	£	£
Staff Costs	23,236	-
Bar Purchases	24,758	-
<b>Total Income</b>	<b>47,994</b>	<b>-</b>

## 7. Charitable Activities

	Activity Costs	Salary, NI & Pensions	Pension Service Cost	Staff Expenses, Incl Training, Transport & Uniforms	Premises Costs	Office & IT Overheads	Transport - Other	Depreciation	Unrecoverable VAT	Support & Marketing Costs	Governance Costs	Total 01/0514 - 31/03/15	Total 11/09/13 - 30/04/14
	£	£	£	£	£	£	£	£	£	£	£	£	£
Alsager LC	60,120	459,895	22,801	3,328	169,000	4,315	56	12,151	14,467	127,381	1,405	874,919	-
Barony Park Sports	6,891	80,331	3,983	33	22,500	1,069	5	-	2,262	19,916	220	137,210	-
Congleton LC	72,119	564,241	27,975	1,296	254,500	2,551	-	-	18,259	160,776	1,774	1,103,491	-
Crewe Pool	55,334	473,009	23,452	5,148	129,000	3,176	-	-	13,585	119,619	1,320	823,643	-
Holmes Chapel LC	18,872	152,299	7,551	1,069	112,500	1,270	-	-	5,837	51,395	567	351,360	-
Knutsford LC	101,214	443,792	22,003	4,060	317,000	9,311	-	-	17,865	157,303	1,735	1,074,283	-
Macclesfield LC	131,178	751,278	37,248	4,382	697,500	5,959	687	-	32,469	285,896	3,154	1,949,751	-
Middlewich LC	50,276	147,641	7,320	263	-	1,171	-	-	4,068	35,823	395	246,957	-
Nantwich Pool	92,335	617,139	30,598	1,818	200,000	5,765	-	-	18,716	164,793	1,818	1,132,982	-
Poynton LC	44,899	354,919	17,597	793	201,000	2,191	-	-	12,323	108,502	1,197	743,421	-
Sandbach LC	37,357	312,878	15,512	2,715	176,500	1,530	-	-	10,836	95,416	1,053	653,797	-
Shavington LC	88,238	262,665	13,023	2,181	87,000	2,464	55	2,865	9,091	80,049	883	548,514	-
Sir William Stanier LC	26,225	105,464	5,229	146	-	2,107	-	-	2,734	24,069	266	166,240	-



**7. Charitable Activities (continued)**

	Activity Costs	Salary, NI & Pensions	Pension Service Cost	Staff Expenses, incl Training, Transport & Uniforms	Premises Costs	Office & IT Overheads	Transport - Other	Depreciation	Unrecoverable VAT	Support & Marketing Costs	Governance Costs	Total 01/0514 - 31/03/15	Total 11/09/13 - 30/04/14
	£	£	£	£	£	£	£	£	£	£	£	£	£
Victoria Comm Centre	40,168	217,908	10,804	2,078	63,500	3,134	95	-	6,671	58,740	648	403,746	-
Wilmslow LC	100,219	671,507	33,293	7,250	470,000	5,666	631	3,502	25,689	226,199	2,496	1,546,452	-
Cumberland Arena	10,202	40,171	1,992	-	-	574	1,811	-	1,077	9,480	105	65,412	-
Partnership & Leisure Dev	54,955	354,010	17,552	25,491	-	2,627	-	-	8,920	78,543	867	542,965	-
Restricted Funds	189,099	61,879	3,067	7,458	-	-	476	-	-	46,526	513	309,018	-
<b>Total</b>	<b>1,179,701</b>	<b>6,071,026</b>	<b>301,000</b>	<b>69,509</b>	<b>2,900,000</b>	<b>54,880</b>	<b>3,816</b>	<b>18,518</b>	<b>204,869</b>	<b>1,850,426</b>	<b>20,416</b>	<b>12,674,161</b>	<b>-</b>

## 8. Support and Governance Costs

	Management & Support Services	Governance Costs	01/05/14 - 31/03/15 Total	11/09/13 - 30/04/14 Total
	£	£	£	£
Activity Costs	758,438	-	758,438	-
Salary, NI & Pensions	704,839	-	704,839	-
Staff Expenses, incl Training, Transport & Uniforms	69,974	-	69,974	-
Premises Costs	151,524	-	151,524	-
Office & IT Overheads	165,467	20,322	185,789	-
Transport - Other	183	94	277	-
<b>Total</b>	<b>1,850,425</b>	<b>20,416</b>	<b>1,870,841</b>	

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

The aggregate payroll costs were:	01 May 2014 – 31 March 2015	11 Sept 2013 – 30 April 2014
Salaries	4,933,066	-
Social Security Costs	1,096,895	-
Pension Costs	769,140	-
<b>Total</b>	<b>6,799,101</b>	<b>-</b>

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

Total Employee Benefits £	No of Employees
70,000 - 79,999	1

As part of a management restructure, redundancy payments were incurred and identified within the expenditure included within Charitable Activities. These totalled £95,905. Governance costs include Auditor Fees totalling £14,000.

The Charity Trustees receive no remuneration for their services. Two Trustees had their mileage costs reimbursed by the Charity, totalling £93.

## 10. Staff Numbers

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

	01 May 2014 – 31/03/2015		
	No.	FTE	
Leisure Facilities	441	178	(441 Staff filling 628 posts)
Leisure Development	17	14	(17 Staff filling 18 posts)
Support Services and Marketing	20	18	(20 Staff filling 20 posts)
<b>Total</b>	<b>478</b>	<b>210</b>	

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

## 11. Tangible Fixed Assets

	2015 £ Gym Equipment
<u>Cost:</u>	
As at 1st May 2014	-
Additions	92,588
As at 31st March 2015	<u>92,588</u>
<u>Depreciation:</u>	
As at 1st May 2014	-
Charge for the Year	18,518
As at 31st March 2015	<u>18,518</u>
<u>Net Book Value</u>	
As at 1st May 2014	-
<b>As at 31st March 2015</b>	<b><u>74,070</u></b>

## 12. Debtors

	31 March 2015 £	30 April 2014 £
Trade Debtors	300,763	-
Prepayments and Accrued Income	152,089	-
<b>As at 31st March 2015</b>	<b><u>452,852</u></b>	-



### 13. Creditors

	31 March 2015 £	30 April 2014 £
Accruals for Grants Payable	-	-
Bank Loans and Overdrafts	-	-
Trade Creditors	479,231	-
Accruals and Deferred Income	755,116	-
Taxation and Social Security	182,410	-
Other Creditors	-	-
As at 31st March 2015	<b>1,416,757</b>	-

### Deferred Income

	31 March 2015 £	30 April 2014 £
Resources deferred in the year	235,129	-
Deferred income at 31st March 2015	<b>235,129</b>	-

Deferred income at 31<sup>st</sup> March 2015 consists of :

Smarter Ways to Travel	9,144
Disability Courses	1,750
CEC Funding for 2015-16 Programme	2,025
Annual Memberships	83,977
Facility Bookings	13,304
Learn To Swim Scheme re 12 wks course	26,985
Aiming High Funding	63,511
Memberships Income received in March	34,433
<b>Total</b>	<b>235,129</b>

## 14. Analysis of Charitable Funds

Analysis of Unrestricted and Designated funds.

	Balance at 1 May 14	Incoming	Outgoing	Gains	Transfers	Balance at 31 Mar 15
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
General Fund	-	2,344,207	(12,131,765)	-	(167,876)	44,566
Pension Reserve	-	-	(12,757,000)	(1,685,000)	-	(4,442,000)
<b>Designated Funds</b>						
Staff Membership Scheme	-	-	-	-	1,204	1,204
Depreciation Reserve	-	-	-	-	74,070	74,070
Training Academy	-	-	-	-	21,000	21,000
Signage	-	-	-	-	30,000	30,000
Knutsford Attic	-	-	-	-	24,000	24,000
Systems Upgrade	-	-	-	-	15,000	15,000
Total Designated Funds	-	-	-	-	165,274	165,274

### Staff Membership Scheme

£1,204 is set aside from the staff membership scheme income to be used for staff activities, development and benefits during 2015/16.

### Depreciation Reserve

An amount has been set aside to fund ongoing depreciation amounts for the new fitness Equipment at Alsager, Wilmslow Spinning Bikes and Shavington equipment over the useful life of the equipment which is another four years.

## Training Academy

£21,000 has been designated for the development of our Training Academy for increasing participation in training, recruiting apprentices and establishing our external training offer. This fund is expected to be spent during 2015/16.

## Signage

The signage is very dated in the majority of our sites and requires a complete overhaul. Most sites have minimal Everybody Sport and Recreation branding. To increase staff motivation and customer acceptance the signage is an important element of encouraging our cultural change. Therefore £30,000 has been designated for new signage across our two largest sites, Wilmslow and Macclesfield. This fund will be at nil by the end of 2015/16.

## Knutsford Attic

£24,000 is held in reserve designated for the Knutsford Leisure Centre "Attic" refurbishment to upgrade a little used area into a fully functioning multi use studio. Research and experience suggests that Knutsford has demand for such a facility and that it will generate additional income going forward from such a facility, via both increased memberships and class fees. The work on the Attic will be complete during financial year 2015/16.

## Business System Upgrade

£15,000 is designated for our systems upgrade. The finances are currently run on Oracle, this system is too complex, large and inflexible for managing Charity finances of an organisation of Everybody Sport and Recreation size. We are aiming to implement a more suitable system during 2016/17.

## Analysis of Restricted Fund Movement

	Balance a 1 May 14	Incoming	Outgoing	Gains	Transfers	Balance at 31 Mar 15
	£	£	£	£	£	£
Aiming High	-	52,239	(52,239)	-	-	-
Bikeability	-	234,549	(237,151)	-	2,602	-
Total Restricted Funds	-	286,788	(289,390)	-	2,602	-

## Aiming High

Provides out of school provision for young people, who because of their specific care needs, find accessing universal and inclusive provision difficult.

## Bikeability

Providing cycling proficiency training to school children across the Cheshire East area.

## 15. Related Party Transactions

The charity has a close working relationship with Cheshire East Council. The Council nominate two of the eleven trustees. These two nominated trustees have equal voting rights with the other trustees.

The following is a summary of transactions with the entity:

	01 May 2014 – 31 March 2015 £
Donations & Legacies	2,965,811
Grants and Contracts	2,535,000
Charitable Expenditure	3,583,241

The above donation income includes an amount calculated at £2,900,000 for use of the council owned facilities at a nil rental, a corresponding equal amount is shown in Charitable expenditure. The Grants income refers to an amount received from Cheshire East Council for the management of their leisure operation. An amount of £617,000 is shown in expenditure for the purchase of back office and IT support provided by the Council on behalf of Everybody Sport and Recreation.

Cheshire East Council have indemnified Everybody Sport and Recreation's pension liability (refer to note 1.10), this liability is currently valued at £4,442,000 as at 31<sup>st</sup> March 2015. The projected amount to be charged to the Operating Profit on the 31<sup>st</sup> March 2016 is expected to be at £1,251,000.

The charity trustees received a total of £93 in reimbursement of travel expenditure during the year. The trustees received no emoluments or payment for professional or other services.



As at 31<sup>st</sup> March 2015 :-

Amounts due to Cheshire East Council £157,781

Amounts due from Cheshire East Council £161,097

## 16. Reconciliation of net cash flow movement to movement in net funds

	01 May 2014 – 31 March 2015 £	11 Sept 2013 – 30 April 2014 £
Increase in cash in the period	1,035,296	-
Net cash outflow in respect of finance leases	-	-
Cash used to increase / (decrease) liquid resources	-	-
Change in net funds	1,035,296	-
Net funds at at 1st May 2014	-	-
Net funds as at 31st March 2015	1,035,296	-

## 17. Defined Benefit Pension Scheme

The charity operates a defined benefit scheme which is open to all employees. The scheme is part of the LGPS "Everybody" has its own assets held within the wider fund. An actuarial evaluation was carried out as at 31st March 2015 using the following assumptions: The fund is administered by independent trustees who are responsible for ensuring it is funded to meet current and future obligations, The agreed contribution rates for future years are 14.5% for employers and between 5.5% and 8.2% , depending on pay for employees.

Contributions amounting to £69,235 were payable to the Scheme at 31 March 2015 and are included within creditors.

Everybody Sport & Recreation expects to contribute £653,000 to its defined benefit pension scheme in 2016.

## Pension Commitments

	2015	2014
Rate of increase in salaries	3.40%	3.70%
Rate of increase in pensions payment	2.50%	2.80%
Discount rate	3.30%	4.20%
Inflation assumption	2.50%	2.70%
Expected return on assets	3.30%	5.90%
<b>Commutation of Pensions to Lump Sums</b>		
Pre April 2008 service		
Post April 2008 service		
Assumptions include an allowance that there will be future improvements in mortality rates	50% 75%	
<b>Mortality assumptions</b>		
life expectancy at 65		
	Males	Females
Current pensioners	22.3years	24.4 years
Future pensioners	24.1years	26.7 years

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

	2015		2014	
	Long term rate of return expected	Value	Long term rate of return expected	Value
	%	£	%	£
Equities	3	7,591,000	7	6,236,000
Bonds	3	1,898,000	3	1,559,000
Property	3	843,000	5	693,000
Cash	3	211,000	4	173,000
Total market value of assets		10,543,000		8,661,000
Present value of scheme liabilities		(14,985,000)		(11,117,000)
Net pension liability		(4,442,000)		(2,456,000)

**An analysis of the movements in the surplus / (deficit) during the year is shown below:**

	2015 £
Pension deficit at transfer	(2,456,000)
Total operating charge	(829,000)
Total interest income / (expense)	36,000
Actuarial income recognised in the statement of total recognised gains and losses	(1,685,000)
Employers Contributions	492,000
As at 31st March 2015	<b>(4,442,000)</b>
<b>An analysis of the defined benefit cost follows:</b>	<b>2015 £</b>
Current service cost	(829,000)
Total operating charge	<b>(829,000)</b>
<b>Analysis of the amount credited to finance income:</b>	<b>2015 £</b>
Other finance costs: expected return on assets in scheme	482,000
Other finance costs: interest costs	(446,000)
	<b>36,000</b>
<b>Actuarial income recognised in the Statement of Total Recognised Gains and Losses (STRGL)</b>	
Actuarial gains / (losses)	(1,685,000)
Increase / (decrease) in irrecoverable surplus from membership fall & other factors	
Actuarial gains / (losses) recognised in the STRGL	(1,685,000)
	<b>(1,685,000)</b>

## 18. Operating Leases

Facilities Years	Within 1 Year	2- 5 Years	Over 5
Wilmslow	-	6,668	-
Nantwich Pool	-	49,103	-
Macclesfield	-	7,002	-
Wilmslow	-	5,040	-
Congleton	-	5,040	-
Crewe Pool	-	5,040	-
Shavington	-	10,494	-
Knutsford	-	2,746	-
	-	91,133	-

Operating Leases are disclosed in bandings, showing when the payments are due, totalling the minimum lease payment due over the lease term.

## 19. Control Relationship

The charity is controlled by the Trustees.