



SANDWELL LEISURE TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2022

Company Registration No. 05011501
Registered Charity No. 1102431

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

Foreword

This was our 17th year of operation and in the most challenging of times SLT has maintained its award winning services and worked tirelessly to rebuild confidence and encourage a return to physical activity in Sandwell.

The recovery from the pandemic has been and still is the most significant challenge to hit the leisure industry in our lifetime and although there is still some way to go, we are pleased to see the confidence grow in our customers by them returning to use the services they enjoy. In no small part this has been driven by the commitment and dedication of our staff teams. SLT is proud to have returned all front line staff and re-opened all facilities again. Although we now face the impact of energy price increases and cost of living that effects all of us, we are encouraged to see a positive trajectory of performance as we continue to move forward.

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

Notable highlights include overall membership which increased to 75,667 (2021: 59,117), attendances at our sports and leisure centres increased to 2,038,379 (2021:426,459) whilst swimming for all ages in Sandwell continues to remain popular, Free swimming registrations slightly decreased to 44,634 (2021: 46,963).

SLT is the first Leisure Trust to be awarded the Order of Distinction the highest possible accolade in the internationally-renowned Royal Society for the Prevention of Accidents (RoSPA) 2022 Health and Safety Awards.

Leisure facilities also received QUEST excellence which heavily test Covid Secure standards and operations. The Trust maintained Silver accreditation from Investors in People an award only achieved by the top 15% of organisations in the UK.

We continue to demonstrate the social impact we make by showcasing the testimonials and feedback of how the Trust has continued to change people's lives.

SLT is proud to have been an integral part of all the partnership working, technical expertise and swimming pool specialist knowledge and support all contributing towards the completion of the world class Sandwell Aquatics Centre. This iconic swimming facility will play host to the Birmingham 2022 Commonwealth Games and then ultimately will deliver the future legacy provision as the newest and largest aquatic facility of its kind in the UK serving both the local and wider community.

SLT staff have provided a critical safety role of lifeguarding test events at Sandwell Aquatic Centre for the Project Team and the official 'Prep The Pool' staging events for the Organising Committee of Commonwealth Games.

All of our achievements would not be possible without the hard work and commitment of our employees, the effective leadership and expertise of our managers and the dedication of our Board. We also value and recognise our key partnership with the Council and Public Health to serve the communities of Sandwell.

We thank everyone for their continued contribution and support.

Lynda Bateman – Chair
2022

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

GOVERNANCE REPORT

STATUS

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

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

TRUSTEES

As the company is limited by guarantee, the trustees have no interest in any shares in the company.

The trustees who served during the period and up to the date of this report were as follows:

V McFarland	(appointed 01.12.04)
L Bateman (Chair from 06.09.16)	(appointed 04.05.10)
M Sharma	(resigned 10.02.22)
P Venables (Vice Chair from 11.09.18)	(appointed 04.02.14)
P Pidcock	(appointed 11.09.18)
R Jackson	(appointed 11.09.18, resigned 23.07.21)
P Kaur	(appointed 11.09.18)
R McVittie	(appointed 26.01.21)
S Fleming	(appointed 02.11.21, resigned 01.08.22)
T Barter	(appointed 19.11.21)

CHIEF EXECUTIVE

A Rai (resigned 31.05.22)

SECRETARY

S Dillion

REGISTERED OFFICE

Tipton Sports Academy
Wednesbury Oak Road
Tipton
DY4 0BS

REGISTERED NUMBERS

Company registration number 05011501
Registered charity number 1102431

AUDITORS

RSM UK Audit LLP
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

BANKERS

NatWest Bank
267 Castle Street
Dudley
DY1 1LJ

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

GOVERNANCE AND RISK

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

The Board leads and maintains full and effective control of the charitable company and its activities.

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

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

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

The key risk facing SLT is non-delivery of the 2020-21 to 2022-23 Business Plan, which will be affected by our recovery from the Covid-19 Pandemic which has affected the whole of the Leisure Industry. Non delivery of the Business Plan would affect the viability and financial stability of the Organisation. More information on going concern is provided on page 18.

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

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

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

The pay of the Chief Executive is considered on an annual basis by the Remuneration Sub-Committee which makes recommendations to the Trust Board taking into consideration a number of factors i.e. pay levels of Chief Executives at similar organisations, local authority heads of services, SPORTA (now Community Leisure UK), awards made by the National Joint Council and the Association of Chief Executives of Voluntary Organisations (ACEVO). The other members of the Trust Management Team are granted pay awards in accordance with their contract of employment.

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

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

CORPORATE RESPONSIBILITY

Health & Safety ("H&S")

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

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

Environment

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

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

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

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

THIRD PARTY INDEMNITY PROVISION FOR TRUSTEES

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

STATEMENT TO DISCLOSURE OF INFORMATION TO AUDITORS

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

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

STRATEGIC REPORT

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

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

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

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

OUR AIMS

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

OUR PRIORITIES

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

SLT MAKING AN IMPACT FOR SANDWELL IN 2021-22

SOCIAL VALUE

Following the reopening of facilities in April 2021, the sector has struggled to recover to pre pandemic activity levels, therefore impacting the social value generated. One point to note is that whilst total social value is well below the previous report, this is a trend seen across the sector due to restrictions over the last year and challenges with returning to pre pandemic activity levels.

SLT continues to perform **better than the sector average** for social value, as highlighted in this report.

KEY FINDINGS:

Key findings from this report on Sandwell Leisure Trusts facilities are:

- 8 out of 9 Sandwell sites sit in the 3rd or 4th quartile for Social Value per person, showing that they are above average for the industry, with Sandwell Leisure Trust sitting in the top 30% overall for social value per person.
- 327,000 ACTIVE AND 343,000 FAIRLY ACTIVE individuals attended Sandwell's facilities, with the majority attending from Sandwell borough.
- 45.1% of participants were from IMD group 1 or 2 (the most deprived groups).

These figures support Sandwell's Vision 2030 Ambition 8:

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

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2022

SLT 'social value' again better than UK leisure sector average Sandwell Leisure Trust is heralding its latest independently verified success story of:

Generating and delivering nearly £7million of social value* back to the Borough.

This figure for the 21/22 financial year has increased significantly from £1.8million in financial year 20/21 - highlighting the impact of COVID-19 closures on Social Value – plus the Black Country-based charity (which still runs nine leisure facilities for Sandwell Council across the borough) is well above standard for the industry.

The Social Value report quantifies and benchmarks the contribution sport services make on four main categories:

- Physical & Mental Health
- Subjective Wellbeing
- Individual Development
- Social & Community Development

And is a key measure of how charitable and leisure operators contribute back to their local areas.

“We are delighted to demonstrate how leisure in Sandwell is contributing back to the borough. Social Value is a key measure to help understand how participation in physical activity is improving health, improving educational attainment and reducing crime.”

Mark Wildman, SLT Business & Commercial Manager

This positive news comes with SLT also recently celebrating being the only leisure operator to achieve RoSPA's Order of Distinction Award for achieving the highest Gold Health & Safety Standard for 16 consecutive years and supports Sandwell's Vision 2030 Ambition 2 & 8:

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

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

MEMBERSHIPS

2021/22 has been a tough year for memberships. In April 2021 we saw the membership figures fall to 5,618 the lowest since 2014. Losing around 6,300 members during the closure period for Covid-19.

Membership offers

Membership offers were developed and available from July when the centres re-opened and throughout the year.

However, there has been steady growth with memberships 5,111 new memberships sold and increasing by 49% to 8,420 in April 2022.

Gym Pass and Fitness Pass

New membership options have been launched: Gym Pass and Fitness Pass £9.99 for 7-days use of gyms or fitness classes.

It was introduced to give customers the opportunity to use the facilities without the commitment of a monthly membership. In the first three months of going on sale over 250 of these passes have been sold.

Shireland Collegiate Academy

Shireland Collegiate Academy have exclusive private use of Hadley Stadium sports hall and 3g pitch 9 which brings in around £90,000 of income term time plus further income is generated from car parking arrangements for school staff during term time.

West Midlands Police

West Midlands Police used Harry Mitchell for designated police training for new recruits throughout 21/22.

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2022

This exclusive day time use agreement also supported the feasibility of reopening Harry Mitchell in the evenings for community use after the Covid pandemic. There is an excellent relationship between the police and centre staff. The contract is in place until August 2023. This provides SLT with a guaranteed income of £267,903 over the duration of the contract.

Harry Mitchell and Hadley Stadium are also a partner for the Commonwealth Games Transport Plan and will be supporting with Car Parking and transport provision throughout the games.

Hadley Stadium

Hadley Stadium has seen an excellent return from the covid pandemic. Football income alone was around £150,000 resulting in Hadley having its best ever financial year and generating a significant surplus back into the leisure trust.

Junior, Youth and Adult Football both male and female takes place between our 3g pitch and grass pitch. We host Semi-professional and Academy teams including Kidderminster Harriers, as well as providing opportunities for teams in Midland Football League, Birmingham Premier Division and Warley Sunday League and the FA Women's National League North.

Grass roots and community initiatives are equally supported – The Benson Community Project hires Hadley Stadium several days a week and SLT supported this project with over £30,000 of funding in the way of reduced hire fees in recognition of the fantastic work Paul Landucci and his team at the project do.

Sandwell's Vision 2030

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

Ambition 8:

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

SOCIAL MEDIA AND WEBSITE

Post COVID social media trends have changed for our customers

Facebook remains a valuable tool for the business for selling memberships and centre sessions. Once again, we surpassed a reach over 2.5 million. Customers do use these platforms (Facebook/Twitter/Instagram) as an essential tool for service information.

The platforms following increased to a combined total of 57,236 an increase of 6.26%. All social media platforms are restricting 'reach' as a way of generating income from organisations such as SLT who use the platforms to sell and push the business.

It is now a more competitive advertising space, and the marketing team are working through the challenge of posting more imaginative and creative content to increase the organic reach of posts.

A February Instagram Story campaign proved to be a major success with huge numbers of members and customers sharing their SLT workouts to ourselves but also their own followers really supporting us spread the word of SLT. This organic campaign helped us attract new followers & support membership campaigns.

The SLT website was used by 400,000 unique users during the year. This excludes the independent websites of Air Mayhem and Aqua Mayhem. Both these two websites handle the marketing and ticket sales for both products.

Aqua Mayhem

Our established social media platforms were instrumental in helping us launch Aqua Mayhem at Wednesbury Leisure Centre. Our marketing team produced videos, stories, testimonials and images to generate engagement and interest from local residents.

The eighteen metre pool inflatable became the main attraction at the centre for all school holidays and was loved by all those who attended. The smaller inflatable, Aqua Gator, sessions were also held in the small pool. Our centre teams were commended for their outstanding customer care & service.

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

The sessions attracted over 4,500 visitors with age ranges from 3 to 80. A new website using our e-commerce supported the customer experience and helped staff manage the sessions.

Sandwell's Vision 2030

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

Portway Vaccination Centre

Vaccination Centre at Portway Lifestyle Centre

Portway became one of the first Vaccination Clinics set up in January 2021, which seemed a most fitting use of the facility during lockdown, particularly with its strong links to the GP Practice and Sandwell and West Birmingham NHS Trust.

Lead by the Portway Family Practice and used by more than 20 GP Surgeries across the Primary Care Network, over 65,000 Sandwell residents in total have been double vaccinated, this equates to 26% of the adult population of Sandwell, with over 50% of all Sandwell's vaccinations delivered from these sites.

"we are delighted to have reached this milestone, so early on into the vaccination programme. The support of both our SLT colleagues at Portway and Health Professionals across all of the GP practices within the network including Nurses, GP's, Health care support staff and Volunteers has been truly overwhelming."

Dr Arun Saini

Sandwell's Vision 2030

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

Portway Lifestyle Centre

The hydrotherapy pool timetable has fully returned. To date over 440 youngsters have either joined or remained on the programme since lockdown. Many of the existing disability groups and organisations have been using the pool, including SEN school, arthritis groups and the very popular public access Relax sessions and Parent and Baby classes.

All of the large organisations have resumed their football activities including Sandwell College and the Educational focused football academy. The Albion Foundation have delivered Football Disability Camps throughout the school holidays, with good numbers recorded.

Oldbury Utd have also delivered community football camps, and used some of the funding from HAF funding (holiday activities and food programme) to support a number of eligible youngsters access the programme.

Our Partners

We have worked closely with Sandwell and West Birmingham NHS Trust to ensure a safe return of physiotherapy provision during the COVID pandemic. Both the NHS Hydrotherapy and Gym sessions have now returned, with considerable demand being met by the NHS physio team.

Additionally, in partnership with the Community Cardio-Respiratory service, we have introduced three Chronic Obstructive Pulmonary Disease (COPD) sessions per week to support patients through a pulmonary rehabilitation programme. It includes breathing retraining, exercise training, education, and counselling.

Portway Pass

Disabled groups and individuals have been disproportionately affected by the Pandemic, which is evident at PLC, many of which have been hesitant in returning to the centre. However, we have recently seen an increase in enquiries, and have worked with a number of groups to support them including the following: Our colleagues in Adult Social care, have seen a steady increase in numbers attending the various activities available, ranging from walking, working in the sensory garden, attendance in the gym and classes.

- Sandwell Visually Impaired have successfully been awarded funding from Active Black Country for instructed gym, class and pool sessions.
- Sandwell Deaf Community have offered a series of children fun sessions throughout the school holidays and have also introduced a weekly youth club session on site.
- Whizzkids sports days providing sporting activities for young wheelchair users.

Sandwell's Vision 2030

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

Staff Development

One member of staff at Portway Lifestyle Centre has successfully completed their apprentice scheme, gaining valuable experience in understanding the role of a Leisure attendant and completing the National Pool lifeguard award, Level 2 Gym Instructor and Swim Teacher qualification, and a First Aid at work.

External bespoke training on manual handling of people, to support the team in tasks such as transferring wheelchair users from out of the car into their chair, has been delivered to the team at Portway Lifestyle Centre.

Customer Testimonials

"Hello Portway, I would like to say thank you Liz for the amazing and interesting outdoor class, it was really worthy to do all the moves and have so much fun today, keep like that our lovely gym."

"Hi there I would like to say helpful Ashley was on your front desk at Portway on Saturday afternoon - he is a credit to your organisation being impaired physically is tough but Ashley really helped me regarding swimming passes so thank you"

"I am the Operational lead for the Vaccination site which is being hosted at Portway Lifestyle Centre.

We have been working from the site since December 2020, John and his staff have been absolutely marvellous accommodating us through this unprecedented programme, it has been extremely challenging at times, with the hundreds of people attending per day especially in the beginning. Nothing has been too much trouble for the staff who have looked after us with our niggles and requests and handled them with the utmost professionalism. The centre at times has been full of Patients who did not recognise the difference between NHS and Site staff but all staff handle all situations with a friendly attitude.

It is a pleasure to hold our clinics at the site with a friendly team around us and as clinics have changed the site staff have accommodated us without question, I know it must be extremely difficult at times to manage our expectations, and deal with the challenges working with public raise but they all take it in their stride and we all make a wonderful team making history in the UK providing thousands of people with a vaccine for this awful virus.

A big Thank you to John and his team."

**Sonia Simkins
Operational Manager for the Vaccination Programme**

Tennis

Indoor Tennis Programme at Tipton Sports Academy

Since returning from various lockdowns our Indoor Tennis Programme at Tipton Sports Academy has seen a healthy rise in the number of children and adults wanting to sign up and take part in tennis.

Whether its group coaching, pay and play or one to one coaching we have something for all ages and ability levels to get involved in.

We see 320 children and 400 adults taking part in coaching sessions each week, along with another 200 people taking part in pay and play weekly court bookings.

This is all despite being down from our usual 6 indoor tennis courts to just 3 indoor courts, while Tipton Sports Academy is being used as an NHS Vaccination centre.

We saw a significant increase in annual income of £115,000 (pro rata based on 3 indoor courts) when compared to pre COVID-19 income. This would have been even higher if we had not had reduced income levels for April/May 2021 when restrictions were still in place for adults and credits were being honoured for customers who missed sessions due to lockdowns.

Our Highlights

Our 14 and under performance players taking part in the 'Play Your Way to Wimbledon' events, with Casey Unitt reaching the actual final at Wimbledon in the National stage of the event. Casey has since been selected as a baton bearer for the upcoming Birmingham Commonwealth Games.

We also formed a new mini tennis red futures (performance) session for those players aged 8 and under who have excelled in their tennis squads.

We now look forward to growing the tennis programme further and re-introducing our successful tournaments/events programme once we have all 6 indoor tennis courts in operation.

HAF (Holiday Activities & Food) camps and community outreach/school sports

Despite various lockdowns and prolonged furlough we have managed to re-engage school bookings and outreach work for our coaches. We deliver Curriculum based PE in one local Sandwell Primary School on various days throughout the week.

During this time we reached 300 attendances per week for curriculum based PE and games.

We have also obtained event bookings here at TSA for various schools and 'School Games' sports such as cricket, tennis, athletics and multisports. These bookings have provided for children from Sandwell and across the Black Country region. These have been very successful and feedback from schools and pupils has been excellent.

Our coaches also provide regular weekly sessions for home school groups helping support their PE requirements and focusing on health and well-being. These groups use our facilities here at TSA. During this delivery we reach around 50 children per week of a wide age range (Key stage 1- key stage 4).

The HAF programme is a government funded initiative in conjunction with the DfE, in which local authorities ask operators to deliver holiday activities and food to eligible benefit related low income families. The project running here at TSA contributes to ambition 1 and 2 of Sandwell 2030 Vision.

It started in Easter this year, and will be running in Summer and Christmas holidays. In Easter we reached on average 22 children who attended a 4 day week, 4 hours a day. Most of these numbers were families of 2 or more children. The feedback from the local authority was really positive along with the feedback from parents of children that attended. By the end of the programme we aim to have reached on average 192 children.

Sandwell's Vision 2030

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

Work it Out Programme and Community Support

Working closely with West Midlands Police, the Work it Out programme was developed to act as a support tool to the young people in Sandwell at risk of becoming involved in criminal and antisocial behaviours.

The incentive of a free membership is used to encourage positive behaviours for the vulnerable young people on the doorsteps of our leisure centres.

Sgt David Rogers, Sandwell Offender Manager said: I offered a pass to a 15-year-old girl, who by her own admission has anger issues and has been involved in assaults. When I offered her the pass, her face lit up and she said "what, you're giving me this for free! Thank you, I'll use it every night".

"Work it Out is now part of the Offender Managers Toolkit in Sandwell. My team visit young offenders linked to knife crime, County Lines and Youth Violence. When we explain the programme to the young people it helps to break down barriers and build trust and ultimately support in preventing any further criminal behaviours."

So far 50 youths aged between 14 - 18 years have been referred into Work It Out.

Sandwell's Vision 2030

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

A further example is that of a 17-year-old male convicted of Youth Violence and on licence. He is now using the Gym at Portway Lifestyle Centre with his Youth Offending Officer:

'The gym session with the young person went very well. It provided a platform for informal conversations to build a better relationship; basically, talking about weight training techniques and what each machine can be used for. We also had discussions around the use of natural products and supplements and the dangers of steroid usage.

He has shown an interest in weight training, so I have used the Work it Out programme to introduce him to a diversionary activity hopefully away from previous negative associations and behaviours.'

Sandwell's Vision 2030

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

Swimming in Sandwell

From September 2021 School swimming uptake has resumed and is increasing

Covid-19 restrictions have had a massive impact of school swimming and recovery has been slow. From September 2021 our School Swimming Programme delivers the Swim England School Swimming and Water Safety Charter scheme.

369 schools have booked in with 60 having not attended due to Covid-19.

Total number of school pupils attending lessons: 19,597.

Number of people on the SLT Lessons programme

- APRIL 2021: 2,929
- APRIL 2022: 5,144

An increase of 75%

The recovery of SLT swimming lessons has been strong, but difficult to grow further due to a national shortage of qualified swimming teachers. **Free swimming in Sandwell**

Sandwell's free swimming scheme is delivered by SLT at pools across Sandwell. This initiative helps residents aged 60+ and those aged 18 and under to access quality safe swimming locally in Sandwell.

In 2021-22 there were **44,634 free swims** delivered to those aged 18 and under or over 60.

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

Sandwell's Vision 2030

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

The Ryland Centre

Michelle and the Ryland Centre team have continued to work hard to offer their members and the local community a first-class service through the pandemic and beyond.

With the centre closed due to the restrictions during the pandemic this gave us an opportunity to work with Worcestershire county council to set up a Covid-19 test centre within Bromsgrove. Due to the subsequent Covid regulations in the borough we established a link with Bromsgrove district council to host the election count and polling station.

Both links with Worcestershire County Council and Bromsgrove District Council enabled us to maintain our income.

We have seen a steady growth in membership which has now enabled us to rent 15 bikes with life fitness to re-introduce indoor cycling classes for the first time in two years.

We have undertaken a restructure in staffing structure to manage expenditure and we have revised our opening hours.

We have grown the number of classes from 14 per week to 50 classes per week.

OUR STAFF

- We currently employ 432 staff
- 52.3% are Sandwell residents
- We had 32 leavers
- 2021/22 staff turnover of 7.4%

The Trust has invested £24,500 in staff learning and development

This year our centres, staff and the public have continued to be affected by the lifting and re-imposing of restrictions in response to the fluctuating infection rate of Covid-19.

However, we believe that our staff are one of the key contributors to the successful recovery of the organisation and as a result the Trust has still invested £24.5k in staff learning and development which has included upskilling some employees in IT, First Aid, delivering exercise programmes for disabled customers, continued professional development for swimming instructors and lifeguard staff along with a range of health and safety training.

We believe that our staff are one of the key contributors to the successful recovery of the organisation.

We are proud to continue to offer all our staff access to the Westfield Health 'Healthy Extras'

This service is provided to all staff and includes:

- Together all - safe online space to explore things that are troubling and get the support, in confidence
- 24 Hour Advice and Information Line, including access to a Health e-Hub
- DoctorLineTM - access to a GP 24/7
- Westfield Rewards Making employees' salaries go further – discounts from over 1,000 leading high street and online retailers

It is a great package for all SLT staff to access help, support, and information to help maintain good mental and physical health. Regular reminders are shared with the staff via The Wellness Hub email.

Together with our team of Mental Health First Aiders, we aim to continue to drive forward positive conversation around mental health across the organisation.

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

Sandwell's Vision 2030

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

Investors in People

SLT received a glowing review following the interim review from the external IIP assessor Gordon

Stopani:

"Following my review in November 2021, the Trust has continued to make excellent progress throughout 2021, returning to its usual operating practices wherever possible.

The Trust is to be congratulated for its ability to navigate the extended challenging times it has experienced, and for having been financially prudent in previous trading years, since it has had to use financial reserves to ensure the ongoing security of its employees' jobs and its operating assets, covering the operating losses incurred through closures brought about by the pandemic.

The wellbeing of the Trust's employees has continued to be placed front and centre at all times during and beyond the restrictions and challenges brought about by the pandemic. Through the efforts and commitment of everyone in the Trust, it is generating greater levels of social value for local communities and outperforming leisure facilities in other regions, with its ability to attract a higher percentage of local residents to make use of its leisure facilities. A fantastic result given the trading context.

A notable example of the Trust's commitment to local communities, is the work conducted at two of the Trust's leisure centres, which have acted as official Covid-19 vaccinations sites. The superb partnership working of the Trust, has meant that its efforts have accounted for approximately 50% of all vaccinations undertaken in the Borough, much to the public praise of the local Director of Public Health.

The ability to deliver such results and to engage with local communities so successfully is to be congratulated and something to be extremely proud of. It is thanks in no small part, to the sheer hard work and dedication of its employees who are committed to what they do."

Our Customers

"I would just like to say how wonderful your lifeguard team are. My boys attended the SEND Aqua Mayhem session and had a wonderful time. This was because the lifeguard team made them feel so capable and were so encouraging of them. The lifeguard in the pool was so patient and gave them so much encouragement it meant they actually persevered and managed to do it. They had a brilliant time thank you so much for providing such an amazing session that kids with additional needs can do and your team is amazing."

"Today was an amazing evening for my daughter as her swimming instructor Lauren did an excellent job. The way she taught was to a high standard, seemed very passionate and enjoyed what she was doing. This is the first time I've actually witnessed this since my daughter started swimming at Tipton Leisure Centre. Please thank her on our behalf and do everything you can to keep staff like this."

"The gym staff are absolutely amazing their dedication and passion to the job is outstanding and they always get the best out of the members during the sessions."

"Just a quick note to say thank you for your support yesterday from both myself and all the attendees of the Amputation Track Day, a tremendous success and a great building block for future events. An absolute picture to see so many smiles on so many peoples faces."

"I just wanted to say what an amazing team you have at Haden Hill. They have changed my life completely. My first ic45 class Andrea was amazing and so welcoming. And Mark in Grit, I had no clue but he was so encouraging and now I do it twice a week if I can. And Heather Manser is so professional in her job role and is a fountain of knowledge. I just wanted to send this email as they have generally changed my life and I'm a better person mentally and physically so thank you."

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

Sandwell's Vision 2030

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

Our Awards

SLT's Double Health & Safety Accolade Yet Again

Sandwell Leisure Trust (SLT) has once more been awarded the highest possible accolade in the internationally-renowned Royal Society for the Prevention of Accidents (RoSPA) 2022 Health and Safety Awards.

The Black Country-based charity - which still runs nine leisure facilities for Sandwell Council across the borough - has landed the coveted Order of Distinction (for 16 consecutive annual Gold Awards) and is the only Leisure Trust nationwide to ever achieve this distinction.

Gold Awards are awarded for superior health and safety performance and excellence among companies that primarily offer services direct to guests and visitors – and this latest and 16th continuous accolade is for the period of 1 January 2021 to 31 December 2021.

Lynda Bateman, Chair of The Trust's Board, says: "SLT was initially the first Leisure Trust to achieve the RoSPA Gold Award – and also the President's Award for 12 successive Golds – but to retain the award over 16 consecutive years and be the first Leisure Trust awarded the Order of Distinction, really does demonstrate the consistent high standards achieved by all staff at all the Trust's facilities.

Once again we thank and congratulate our teams that continue to work extra hard to monitor and maintain such a safe standard of services for all in Sandwell - especially in these most challenging of circumstances - to have safe and proper practices in place and also provide a COVID-secure environment for staff, customers and visitors across all our sites."

The RoSPA Awards not only focus on commitment to accident and ill-health prevention, but occupational health and safety management systems, including practices like leadership and workforce involvement. It received over 2,000 entries from organisations around the world this year, reaching over 7million employees, and is also the longest-running industry awards scheme in the UK - recognising the best of the best and organisations that have gone the extra mile, raising the bar for the delivery of safety in the workplace.

"The RoSPA Award is the most highly-respected health and safety accolade globally, so we're extremely honoured again to be recognised as a world-leader in health and safety practice."
Lynda Bateman, Chair of the Board

Sandwell's Vision 2030

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

WHAT IS SLT'S PURPOSE

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

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

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

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2022

The public benefits that flow from this purpose are:

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

How can these benefits be identified and measured?

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

Is there any harm arising from any of the purposes?

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

INVESTMENT POLICY

We have in our Memorandum & Articles of Association the power to make investments to fund the activities of the Trust. The level of investment is to be determined by the level of surplus cash available compared with the demand for resources required for the operation of services provided by the Trust.

We invest any surplus cash (not needed to meet immediate liabilities) with SMBC Corporate Finance under a Service Level Agreement. The SLA guarantees the Trust a rate of 0.3% below base rate on the day of investment on all balances and is virtually risk free.

RESERVES POLICY

The Board's current policy is to maintain an uncommitted reserve of £500k to protect against downside cost risks identified in our risk register. We are currently using planned accumulated surpluses to help meet the management fee reductions.

The Council took the decision to terminate the contract with SLT at its Cabinet 8 February 2022 because the Business Plan 2021-2024 could not be agreed. Following that decision the Board at its meeting 23 March 2022 approved to re-designate reserves totalling £1,357,000 and not spend on the SMBC contract but instead for funds to be made available for the future of SLT which is to be decided at a later Board.

As at 31 March 2022, the charity had uncommitted reserves (being net current assets, less restricted and designated funds) of £1,666,233 (2021: £432,210).

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

During a down-turn, this can produce what could be considered an overly pessimistic forecast of pension fund returns and potentially an overstated estimate of pension fund liabilities within the statutory accounts.

The West Midland's pension fund actuary calculates employer contribution rates using a wider range of assets that better reflect current and future market conditions.

SANDWELL LEISURE TRUST TRUSTEES' REPORT for the year to 31 March 2022

These calculations are therefore much more driven by the overall long-term state of the market and the result is that they assume lower levels of contribution from the trust are needed to meet the pension fund obligations.

A risk facing the charity is the maintenance of adequate funding for the charity's pension liabilities. The financial statements report the share of the Local Government Pension Scheme deficit (£15,167k) on the Charity's balance sheet in line with the requirements of FRS 102. The risk is mitigated by an agreed deficit recovery plan with the West Midlands Pension Fund.

FINANCIAL PERFORMANCE

A set of KPI's are agreed and monitored by the Board.

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

Prior to the Covid-19 Pandemic the Trust had increased income year on year by over 200k since its incorporation despite reductions in the Management Fee. However 2021 saw a reduction in income as the leisure centres re-opened at the end of March 2021 following closures (3 lockdowns), and when the centres opened it was under Covid secure measures which impacted maximisation of income.

Income was significantly down in 2021 because although we received the National Leisure Recovery Fund Grant of £565k, the Job Retention Scheme Grant and Covid restart grants, recovery was still not at its optimum level as it will take time to rebuild income.

Expenditure was significantly down in 2021 due to employees who were furloughed which resulted in:

- Reduced use of casual and self-employed workers; and
- Furlough deduction (ie paying furloughed staff 80% of their salary up to a maximum of £2,500) until September 2021, which led to a review of opening hours and working patterns.

Other reduced expenditure in 2021 was due to management having a tight control on expenditure across the board whilst recovering from the pandemic, and only spending where it was necessary.

The Statement of Financial Activities shows net expenditure for the charity of £2,042,707 (2021: net expenditure of £1,482,358) before actuarial adjustments required to account for participation in the local government pension scheme. The net result after these adjustments was a net increase in funds of £4,195,293 (2021: net decrease in funds of £11,088,358). At 31 March 2022, the charity had net liabilities of £11,791,354 (2020: net liabilities of £15,986,647) of which £32,865 were restricted funds, £828,552 were designated funds, £2,514,229 were held as unrestricted charitable funds, and a deficit of £15,167,000 represented the charity's share of the deficit in the local government pension scheme.

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

SLT encourages the involvement of all employees in its management through regular meetings that take place at a local site level through to senior management and board of trustees of which a staff representative is elected each year and contributes at Board level.

SLT also recognises a number of Trade Unions and has a formal agreement which enables the Trust Management Team to meet with them jointly on a quarterly basis to discuss and consult on employee related matters.

SLT will and does employ disabled persons whereby the individual has demonstrated the ability to undertake the role either with or without any reasonable adjustments. Disabled candidates are given full and fair consideration when such vacancies arise and reasonable adjustments are considered and made to support candidates through the recruitment process through to employment if they are successful.

During employment, the trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training and development opportunities are available to enable them to reach their full potential.

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

GOING CONCERN

At its Cabinet meeting on 8 February 2022, Sandwell Council took the decision to terminate the contracts with Sandwell Leisure Trust on 31 March 2023. The Trustees have prepared detailed cash flow forecasts which indicate that SLT will have cash reserves of £2m for the year ended 31 March 2023 and that these will remain consistent at £1.9m for the foreseeable future. With no expected significant future operating costs, SLT has sufficient cash resources that will meet its day to day working capital requirements in the long term.

SLT is currently in discussion with both Sandwell Council and The Charity Commission, exploring future opportunities for the charity. At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

FUTURE DEVELOPMENTS

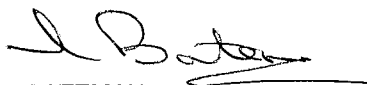
The Trust is currently supporting the Local Authority with a Built Facilities Strategy as part of an overall borough strategy to support improvements in Health and education, growing employment opportunities and providing good quality services.

TRUSTEES REPORT APPROVAL

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

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

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



L BATEMAN
Chair

12/12/2022

SANDWELL LEISURE TRUST
TRUSTEES' REPORT
for the year to 31 March 2022

Statement of Trustees' responsibilities

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL LEISURE TRUST

Opinion

We have audited the financial statements of Sandwell Leisure Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL LEISURE TRUST

- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL LEISURE TRUST

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Health and Safety at Work Act 1974. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

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

Anna Spencer-Gray (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

Date:

SANDWELL LEISURE TRUST
 STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
 ACCOUNT)
 For the year ended 31 March 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income from:					
Charitable activities	2	9,323,648	-	9,323,648	7,303,863
Other trading activities		288,942	-	288,942	226,635
Investments		486	-	486	1,471
Total income		9,613,076	-	9,613,076	7,531,969
Expenditure on:					
Raising funds	3	85,564	-	85,564	17,830
Charitable activities	3	11,570,219	-	11,570,219	8,996,497
Total expenditure		11,655,783	-	11,655,783	9,014,327
Net expenditure for the year	1	(2,042,707)	-	(2,042,707)	(1,482,358)
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension scheme	16	6,238,000	-	6,238,000	(9,606,000)
Net movement in funds		4,195,293	-	4,195,293	(11,088,358)
Funds at 1 April 2021		(16,019,512)	32,865	(15,986,647)	(4,898,289)
Funds at 31 March 2022		(11,824,219)	32,865	(11,791,354)	(15,986,647)

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

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

SANDWELL LEISURE TRUST
BALANCE SHEET
31 March 2022

Company Registration No: 05011501

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	5	848,176	967,305
Current assets			
Stocks	6	18,646	20,273
Debtors	7	367,154	450,315
Cash at bank and in hand		3,751,380	3,708,690
		4,137,180	4,179,278
Creditors: amounts falling due within one year	8	(1,609,710)	(1,768,230)
Net current assets		2,527,470	2,411,048
Net assets excluding pension scheme liability		3,375,646	3,378,353
Defined benefit pension scheme liability	16	(15,167,000)	(19,365,000)
Net (liabilities) including pension scheme liability		(11,791,354)	(15,986,647)
Represented by:			
Restricted funds	10	32,865	32,865
Unrestricted funds:			
General funds	11	2,514,229	1,399,515
Designated funds	12	828,552	1,945,973
		3,342,781	3,345,488
Pension fund		(15,167,000)	(19,365,000)
Total unrestricted funds		(11,824,219)	(16,019,512)
Total (deficit)		(11,791,354)	(15,986,647)

The financial statements on pages 24 - 40 were approved by the board of trustees and authorised for issue on 2022 and are signed on its behalf by:

L BATEMAN
Chair

SANDWELL LEISURE TRUST
STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities	146,930	(306,663)
Cash flows from investing activities:		
Interest	486	1,471
Purchase of tangible fixed assets	(104,726)	(50,387)
Net cash (used in) investing activities	(104,240)	(48,916)
Increase/(decrease) in cash and cash equivalents in the year	42,690	(355,579)
Cash and cash equivalents at the beginning of the year	3,708,690	4,064,269
Total cash and cash equivalents at the end of the year	3,751,380	3,708,690

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

	2022 £	2021 £
Net (expenditure) as per the SOFA	(2,042,707)	(1,482,358)
Depreciation	223,855	270,606
Interest	(486)	(1,471)
Decrease in stocks	1,627	7,374
Decrease/(increase) in debtors	83,161	(295,879)
(Decrease)/increase in creditors	(158,520)	283,065
Defined benefit pension scheme	2,040,000	912,000
Net cash provided by/(used in) operating activities	146,930	(306,663)

ANALYSIS OF CHANGES IN NET FUNDS

	2021 £	Cash flow £	2022 £
Cash in hand and at bank	3,708,690	42,690	3,751,380
Net funds	3,708,690	42,690	3,751,380

SANDWELL LEISURE TRUST ACCOUNTING POLICIES

GENERAL INFORMATION

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

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

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty are set out below:

BASIS OF PREPARATION

The financial statements have been prepared under historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006. Sandwell Leisure Trust meets the definition of a public benefit entity under FRS 102.

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

GOING CONCERN

At its Cabinet meeting on 8 February 2022, Sandwell Council took the decision to terminate the contracts with Sandwell Leisure Trust on 31 March 2023. The Trustees have prepared detailed cash flow forecasts which indicate that SLT will have cash reserves of £2m for the year ended 31 March 2023 and that these will remain consistent at £1.9m for the foreseeable future. With no expected significant future operating costs, SLT has sufficient cash resources that will meet its day to day working capital requirements in the long term.

SLT is currently in discussion with both Sandwell Council and The Charity Commission, exploring future opportunities for the charity. At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

INCOME

Other trading activities

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

Income from charitable activities

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

Grants receivable

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

Government grants (including CJRS claims) are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

SANDWELL LEISURE TRUST ACCOUNTING POLICIES

INCOME (continued)

Membership income

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

Income from investments

Investment income is recognised on a receivable basis.

Other income

Other income is recognised as earned.

EXPENDITURE

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

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

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

FUNDS

Funds held by the Trust are either:

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

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

TANGIBLE FIXED ASSETS

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

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

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

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

SANDWELL LEISURE TRUST ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS (continued)

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

STOCKS

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

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

LEASED ASSETS AND OBLIGATIONS

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

RETIREMENT BENEFITS

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

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

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

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

EMPLOYEE BENEFITS

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

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

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

FINANCIAL INSTRUMENTS

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

Debtors

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

SANDWELL LEISURE TRUST ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (continued)

Cash at bank and in hand

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

Creditors

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

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined Benefit Pension Scheme Actuarial assumptions

The present value of the defined benefit pension scheme liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

1	NET EXPENDITURE	2022	2021
		£	£
	Net expenditure is stated after charging:		
	Depreciation of tangible fixed assets:		
	Owned assets	223,855	270,606
	Operating lease rentals		
	- plant and machinery	120,295	115,551
	Auditor's remuneration		
	- as auditor	15,920	21,110
	- other services – VAT advice	4,700	2,000
	Internal audit	17,100	12,300

2 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from operation of sports facilities	5,945,449	-	5,945,449	1,283,696
Grants (management fees)	2,517,515	-	2,517,515	2,779,909
CJRS income and Covid grants	860,684	-	860,684	3,240,258
	<u>9,323,648</u>	<u>-</u>	<u>9,323,648</u>	<u>7,303,863</u>

3 ANALYSIS OF TOTAL EXPENDITURE

	Unrestricted Funds £	Pension Reserve £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Other trading activities					
Cost of goods sold	81,973	-	-	81,973	10,194
Other	3,591	-	-	3,591	7,636
	<u>85,564</u>	<u>-</u>	<u>-</u>	<u>85,564</u>	<u>17,830</u>
Charitable activities					
Staff costs	5,903,392	1,627,000	-	7,530,392	6,237,225
Other employee costs	185,535	-	-	185,535	75,683
Premises	1,563,996	-	-	1,563,996	1,017,433
Transport	41	-	-	41	-
Professional fees	19,800	-	-	19,800	22,527
Depreciation	223,855	-	-	223,855	270,606
Other	1,586,301	413,000	-	1,999,301	1,326,120
Governance costs	47,299	-	-	47,299	46,903
	<u>9,530,219</u>	<u>2,040,000</u>	<u>-</u>	<u>11,570,219</u>	<u>8,996,497</u>

SANDWELL LEISURE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2022

3 ANALYSIS OF TOTAL EXPENDITURE (GOVERNANCE COSTS)

	Unrestricted Funds	Pension Reserve	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Legal costs	33,020	-	-	33,020	33,410
Trustee indemnity insurance	-	-	-	-	578
Staff costs relating to preparation and attendance at trustee meetings	14,279	-	-	14,279	12,915
Total	47,299	-	-	47,299	46,903

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

4 TRUSTEES AND EMPLOYEES

No remuneration is paid to any trustee (director) in respect of their service as Trustees (2021: £nil). No expenses were reimbursed to trustees (2021: £nil). Trustee indemnity insurance of £nil (2021: £578) was purchased during the year.

	2022 £	2021 £
Staff costs		
Wages and salaries	4,906,316	4,656,018
Social security costs	370,081	289,112
Pension costs	2,268,274	1,305,009
	7,544,671	6,250,139
	2022 Number	2021 Number
Average number of persons employed, including executive directors (FTE)	167	164
Average number of persons employed, including executive directors (head count)	371	424

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

SANDWELL LEISURE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2022

4 TRUSTEES AND EMPLOYEES (continued)

One (2021: One) employee earned in excess of £60,000 during the period. This employee earned between £80,000 and £90,000 (2021: One).

Pension contributions in respect of higher paid staff amounted to £14,376 (2021: £13,956). One higher paid staff member is accruing benefits under the defined benefit pension scheme.

Remuneration paid to key management personnel (including the above, employer's pension contributions and employer's National Insurance) was £273,680 (2021: £265,412).

Redundancy and termination payments paid during the period amounted to £nil (2021: £42,336).

One employee served as a Trustee. The total remuneration during the period (including employer's pension contributions, employer's National Insurance, redundancy & termination costs) was £18,155 (2021: £14,447). No other remuneration was paid to a Trustee.

5 TANGIBLE FIXED ASSETS

	Freehold land £	Refurbishment costs £	Plant & Machinery £	Sports Equipment £	IT & Office Equipment £	Total £
Cost						
At 1 April 2021	467,826	2,169,586	200,520	1,301,107	878,983	5,018,022
Additions	-	36,246	6,861	60,377	1,242	104,726
31 March 2022	467,826	2,205,832	207,381	1,361,484	880,225	5,122,748
Depreciation						
At 1 April 2021	-	1,909,796	152,886	1,144,641	843,394	4,050,717
Charge for year	-	93,492	14,166	96,988	19,209	223,855
31 March 2022	-	2,003,288	167,052	1,241,629	862,603	4,274,572
Net book amount						
31 March 2022	467,826	202,544	40,329	119,855	17,622	848,176
31 March 2021	467,826	259,790	47,634	156,466	35,589	967,305

6 STOCKS

	2022 £	2021 £
Goods for resale	18,646	20,273

SANDWELL LEISURE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2022

7 DEBTORS

	2022 £	2021 £
Trade debtors	354,673	29,683
Other debtors	7,591	414,689
Prepayments	4,890	5,943
	<u>367,154</u>	<u>450,315</u>

Included within other debtors above are amounts due after more than one year of £3,338 (2021: £13,400) in respect of car loans to staff who qualify under their Terms and Conditions of Service.

8 CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	113,689	131,018
Other taxation and social security	186,709	155,637
Other creditors	82,854	245,725
Accruals and deferred income	1,226,458	1,235,850
	<u>1,609,710</u>	<u>1,768,230</u>

9 DEFERRED INCOME

	£
Balance as at 1 April 2021	237,054
Amount released to income	(237,054)
Amount deferred in the year	56,249
	<u>56,249</u>
Balance as at 31 March 2022	<u>56,249</u>

Deferred income represents prepaid membership income for the coming year and hire of facilities income received in advance.

SANDWELL LEISURE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2022

10 RESTRICTED FUNDS

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

	Balance 1 April 2021 £	Movement in Funds			Balance 31 March 2022 £
		Income £	Expenditure £	Transfers £	
Physical Activity Board	18,015	-	-	-	18,015
Street Games	12,420	-	-	-	12,420
Active Citizens	2,430	-	-	-	2,430
Total	32,865	-	-	-	32,865

Prior Year	Balance 1 April 2020 £	Movement in Funds			Balance 31 March 2021 £
		Income £	Expenditure £	Transfers £	
Physical Activity Board	17,970	45	-	-	18,015
Street Games	12,420	-	-	-	12,420
Active Citizens	2,430	-	-	-	2,430
Total	32,820	45	-	-	32,865

Physical Activity Board

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

StreetGames

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

Active Citizens

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

SANDWELL LEISURE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2022

11 UNRESTRICTED GENERAL FUNDS

	2022 £	2021 £
1 April 2021	1,399,515	3,375,891
Net (expenditure)/income	(2,707)	(570,403)
Transfer from/(to) designated fund	1,117,421	(1,405,973)
	<hr/>	<hr/>
31 March 2022	2,514,229	1,399,515
	<hr/> <hr/>	<hr/> <hr/>

General Funds include an amount for the Ryland Repair Fund.

12 DESIGNATED FUNDS

	2022 £	2021 £
1 April 2021	1,945,973	540,000
Transfer (to)/from unrestricted general funds	(1,117,421)	1,405,973
	<hr/>	<hr/>
31 March 2022	828,552	1,945,973
	<hr/> <hr/>	<hr/> <hr/>

At its 23rd March 2022 Board meeting, Members approved to redesignate reserves totalling £1,357.6k and not spend these funds on the SMBC contract, but instead for the reserves to be made available for the future of SLT which is to be decided at a future Board meeting. Designated now comprises of:-

Ryland Repair Fund

In 2021-22 Trustees increased the designated to £198,652 for the Ryland Repair Fund to deal with all major lifecycle maintenance issues, including the replacement of the athletics track.

Business Plan 2021-2023 Fund

In 2021-22 the Trustees reduced designated to £229,900 of reserves to support the 2020-2023 Business Plan.

Investment Portfolio Fund

In 2021-22 the Trustees reduced designated to £400,000 to support the development of an investment strategy/portfolio to generate increased income and thereby enabling the Trust to reduce the Management Fee in future years. The process commenced February 2020 but put into abeyance following the outbreak of the Covid-19 pandemic crisis.

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

13 ANALYSIS OF NET ASSETS/(LIABILITIES) BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Tangible fixed assets	848,176	-	848,176	967,305
Stocks	18,646	-	18,646	20,273
Debtors	367,154	-	367,154	450,315
Cash at bank and in hand	3,718,515	32,865	3,751,380	3,708,690
Creditors due within one year	(1,609,710)	-	(1,609,710)	(1,768,230)
Defined benefit pension scheme liability	(15,167,000)	-	(15,167,000)	(19,365,000)
Net assets/(liabilities)	(11,824,219)	32,865	(11,791,354)	(15,986,647)
Prior year – 31 March 2021:	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Tangible fixed assets	967,305	-	967,305	1,187,525
Stocks	20,273	-	20,273	27,647
Debtors	450,315	-	450,315	154,436
Cash at bank and in hand	3,675,825	32,865	3,708,690	4,064,269
Creditors due within one year	(1,768,230)	-	(1,768,230)	(1,485,166)
Defined benefit pension scheme liability	(19,365,000)	-	(19,365,000)	(8,847,000)
Net assets/(liabilities)	(16,019,512)	32,865	(15,986,647)	(4,898,289)

SANDWELL LEISURE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2022

14 COMMITMENTS UNDER OPERATING LEASES

	2022 £	2021 £
At 31 March 2022, the Charity had total future commitments under non-cancellable operating leases as follows:		
Plant and machinery:		
Amounts due within one year	40,025	39,197
Amounts due within one to five years	360	202
	40,385	39,399
	40,385	39,399

15 TAXATION

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

16 PENSION COSTS

Defined benefit scheme

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

There were outstanding contributions of £76,051 (2021: £68,928) at the year end, included within other creditors.

The Charity expects to make contributions in the year ended 31 March 2023 of £674,000 (2022: £611,000).

The following information is based upon a full actuarial valuation of the Fund at 31 March 2020 updated to 31 March 2022 by a qualified independent actuary.

	At 31 March 2022	At 31 March 2021
Rate of increase in salaries	4.15%	3.8%
Rate of increase in pensions in payment	3.15%	2.8%
Discount rate	2.75%	2.05%
Inflation assumption	3.15%	2.8%

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

	At 31 March 2022	At 31 March 2021
Retiring today:-		
Males	21.2	21.6
Females	23.6	23.9
Retiring in 20 years:-		
Males	22.9	23.4
Females	25.4	25.8

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

16 PENSION COSTS (continued)

The fair value of the assets in the scheme was:

	2022 £000	2021 £000
Equities	21,368	17,095
Government Bonds	7,016	2,890
Other Bonds	-	1,114
Property	2,232	2,096
Cash	1,276	1,734
Other	-	4,087
	<hr/>	<hr/>
Total fair value of assets	31,892	29,016
	<hr/> <hr/>	<hr/> <hr/>

	2022 £000	2021 £000
Trust's estimated asset share	31,892	29,016
Present value of scheme liabilities	(47,059)	(48,381)
	<hr/>	<hr/>
Deficit in the scheme	(15,167)	(19,365)
	<hr/> <hr/>	<hr/> <hr/>

ANALYSIS OF THE AMOUNT CHARGED TO STATEMENT OF FINANCIAL ACTIVITIES	2022 £000	2021 £000
Employer contributions	630	609
Current service cost	(2,257)	(1,302)
Past service cost	-	(1)
Net interest cost	(413)	(201)
Administration expenses	-	(17)
	<hr/>	<hr/>
	(2,040)	(912)
	<hr/> <hr/>	<hr/> <hr/>

Analysis of the amount charged to actuarial gains/(losses) on defined benefit pension scheme	2022 £000	2021 £000
Remeasurements (assets)	1,808	4,099
Experience gains and losses on liabilities	(101)	339
Change in demographic assumptions	262	407
Changes in assumptions	4,269	(14,451)
	<hr/>	<hr/>
Actuarial gain/(loss) recognised in SOFA	6,238	(9,606)
	<hr/> <hr/>	<hr/> <hr/>

SANDWELL LEISURE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

16 PENSION COSTS (continued)

Cumulative actuarial losses recognised in the SOFA totalled £3,663,000 (2021: £9,901,000 loss).

	2022	2021
	£000	£000
Movement in deficit during year		
Deficit in scheme at beginning of year	(19,365)	(8,847)
Movement in year:		
Current service cost	(2,257)	(1,302)
Past service cost	-	(1)
Contributions	630	609
Net return on assets	(413)	(201)
Actuarial gain/(loss)	6,238	(9,606)
Administrative expenses	-	(17)
	<u> </u>	<u> </u>
Deficit in scheme at end of year	(15,167)	(19,365)
	<u> </u>	<u> </u>
Asset and Liability reconciliation		
	2022	2021
	£000	£000
Reconciliation of liabilities:		
Liabilities at start of year	48,381	32,922
Current service cost	2,257	1,302
Interest cost	1,012	770
Member contributions	242	236
Return on assets less interest	(4,269)	14,451
Change in demographic assumptions	(262)	(407)
Experience loss on defined benefit obligation	101	(339)
Benefits paid	(403)	(555)
Past service cost	-	1
	<u> </u>	<u> </u>
Liabilities at the end of year	47,059	48,381
	<u> </u>	<u> </u>
Reconciliation of assets:		
Assets at start of year	29,016	24,075
Interest on plan assets	599	569
Actuarial gains/(losses)	1,808	4,099
Administrative expenses	-	(17)
Employer contributions	630	609
Member contributions	242	236
Benefits paid	(403)	(555)
	<u> </u>	<u> </u>
Assets at the end of year	31,892	29,016
	<u> </u>	<u> </u>

Under the Management and Funding Agreement (MFA) with Sandwell MBC, the Council bears the risk of changes in the superannuation contribution rate for the establishment that transferred to the Trust on 1 April 2004 and the Trust's Management Fee is adjusted to reflect this. As a result, the Trust only bears the risk of any shortfall relating to additional superannuation costs it has incurred over and above the amounts funded by the Council. In FY2021/22 the level of management fee relating to superannuation covered the Trust's actual expenditure.

SANDWELL LEISURE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2022

17 COMPANY LIMITED BY GUARANTEE

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

18 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income from:			
Charitable activities	7,303,818	45	7,303,863
Other trading activities	226,635	-	226,635
Investments	1,471	-	1,471
	<hr/>	<hr/>	<hr/>
Total income	7,531,924	45	7,531,969
	<hr/>	<hr/>	<hr/>
Expenditure on:			
Raising funds	17,830	-	17,830
Charitable activities	8,996,497	-	8,996,497
	<hr/>	<hr/>	<hr/>
Total expenditure	9,014,327	-	9,014,327
	<hr/>	<hr/>	<hr/>
Net income/(expenditure) for the year	(1,482,403)	45	(1,482,358)
	<hr/>	<hr/>	<hr/>
Other recognised gains and losses			
Actuarial (losses)/gains on defined benefit pension scheme	(9,606,000)	-	(9,606,000)
	<hr/>	<hr/>	<hr/>
Net movement in funds	(11,088,403)	45	(11,088,358)
Funds at 1 April 2020	(4,931,109)	32,820	(4,898,289)
	<hr/>	<hr/>	<hr/>
Funds at 31 March 2021	(16,019,512)	32,865	(15,986,647)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>