

**Sheffield City Trust**

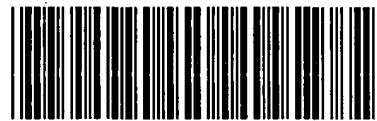
**Annual report and consolidated  
financial statements**

**Registered number 2164600**

**Charity Registration Number 700520**

**Year ended 31 March 2024**

**TUESDAY**



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## Trustees' and directors' report (including strategic report)

The trustees, who act as directors for the purpose of company law, are pleased to present their report and financial statements for the year ended 31 March 2024.

### Purpose of the charity

The objects of the charity are as detailed in the charity's governing document, its Articles of Association.

- 1 An object of the charity is to promote the benefit of the inhabitants of South Yorkshire and surrounding counties by the provision of facilities for recreation and leisure time occupation in the interest of social welfare. The charity has continued in its policies of providing recreational and other leisure facilities of a high standard and as economically as possible. The charity seeks to encourage high levels of use by the community with policies that encourage wide public access. There has been no material change in these policies over the relevant period.
- 2 A further object of the charity is to promote and preserve good physical and mental health. The objective is pursued by encouraging high levels of use of recreational and leisure facilities by the community. In addition, the charity has a policy of carrying out ad hoc initiatives and giving financial support to appropriate projects which has been continued during the year.
- 3 Other objects of the charity include the encouragement of the arts and the acquisition, preservation, restoration and maintenance of buildings of historic and architectural interest in Sheffield.

### Activities

In furtherance of the charity's object to provide facilities for recreation and other leisure time occupations Sheffield City Trust operated the following facilities directly in the year:

- Beauchief Golf Course
- Birley Golf Course
- Concord Sports Centre
- Heeley Swimming Pool and Gym
- Hillsborough Leisure Centre
- iceSheffield
- Ponds Forge International Sports Centre
- Sinfin Golf Course (until 31 July 2024)
- Springs Leisure Centre
- Tupton Park Golf Course (until 16 December 2024)
- Tinsley Park Golf Course
- Westfield Sports Centre (until 3 January 2024)

The charity has continued to operate the following facilities through its Subsidiary, Sheffield International Venues Limited:

- English Institute of Sport – Sheffield
- Utilita Arena Sheffield
- Sheffield City Hall

Sheffield International Venues Limited also acts as principal for all commercial activity within the above venues.

Any profits made by Sheffield International Venues Limited, where the company has sufficient distributable reserves, may be passed back to the charity by way of a gift aided payment.

The operation of leisure facilities continues to be the primary way in which the two main objects of the charity are achieved. The trustees ensure that participation continues to grow and benchmark attendance against national standards. Prices are set at a level that encourages use by as many people as possible and many facilities are full at peak times.

## **Trustees' and directors' report (including strategic report) (continued)**

### **Activities (continued)**

The total number of memberships as a holistic number has peaked to a post Covid-19 high, including child activities and fitness products. Shortages in supplies and the challenges we face with recruitment and more recently the impact of inflation (cost of living) have required a responsive, adaptive and flexible approach to be continued over the past 12 months to maintain this good performance.

For the third year in succession we have included concessionary rates on all activities to try to alleviate the financial burden on groups that typically would welcome this discount. A discount of 40% is applied to all relevant activities and has seen a very good uptake, specifically from families of children on free school meals. On coached admissions we have over 2,750 children benefiting from this each week.

The English Institute of Sport – Sheffield continues to be the home for GB Boxing, GB Para Badminton, GB Para Table Tennis and GB Goalball along with Sheffield Hallam University's Sport and Physical Activity academic learning. At Ponds Forge International Sports Centre (ISC), the swimming clubs have prepared to enter the Olympic year with various athletes aiming to be in Paris 2024. The Utilita Arena Sheffield is the home of the Elite Ice Hockey League team, the Sheffield Steelers.

The charity continues to partner with the National Centre for Sport and Exercise Medicine in Sheffield ('NCSEM') where clinical facilities are co-located with facilities for sport and exercise. At Concord Sports Centre, NHS patients are treated in an environment which promotes physical activity as medicine. The centre also promotes physical activity as a prime preventer of ill health with exit routes for patients into our exercise referral scheme and other activities.

Essential maintenance work has been undertaken on various facilities in partnership with Sheffield City Council. In July 2023, the competition pool at Ponds Forge ISC was closed for an eight-week period for planned essential maintenance, and in November 2023, Heeley swimming pool was closed for 5 weeks, for the same purpose.

We have had a strong year for our event programme, with both regional, national and international events being hosted across the group. EIS Sheffield hosted international events in the sports of badminton, table tennis and boxing through collaboration with Sheffield City Council and the National Governing Bodies that call Sheffield home.

Golf has continued gaining in its popularity, as it allows exercise while outside and socialising with friends. This has had a positive effect on the usage of all five of the charity's courses.

Utilita Arena Sheffield and Sheffield City Hall delivered a wide and varied arts and entertainment programme hosting some of the most popular acts in music, comedy and theatre. Opera and ballet also appeared in the programme as well as the Sheffield International Classical Concert Season featuring both international and domestic orchestras. Community events have always been a major part of the charity's events diary, and these include the popular community tea dances, local dance school performances and the local amateur dramatic society, Manor Operatic Society, who performed a week long musical in May (Grease - The Musical) and their traditional two week pantomime, Robin Hood & His Merry Men at Christmas.

In the latest Pollstar ratings of European venues The City Hall was ranked as the number 3 venue in the Theatre category (number 1 in the UK) and the Utilita Arena Sheffield was 18th in the Arena category (number 8 in the UK). This covered the period from January 2023 to March 2024.

Elite Ice Hockey League continued to play a major part of the events programme with the ongoing partnership with the Sheffield Steelers. This year, together with the Steelers, the Utilita Arena Sheffield hosted 37 games and welcomed 260,190 fans, predominantly from the local Sheffield area. This included the Elite League Challenge Cup Final. The International Ice Hockey Federation (IIHF) have recently reported that, the venue was the 18th most attended ice hockey stadium in Europe improving from last year of 24th. The venue continues to be the number one attended Ice Hockey Stadium in the UK.

## **Trustees' and directors' report (including strategic report) (continued)**

### **Activities (continued)**

Our community development activities continue to support the local area away from the facilities. Work with school and education establishments sees engagement and support to over 120 local schools, through coaching, provision of equipment, tickets and subsidised venue hire.

A Summer Sports Van programme saw large levels of engagement with a continuation in certain locations as we work closely with Community Officers and Councillors. This sees activity and engagement, as well as food distribution as we look to engage through different needs for local families.

Our involvement in the Healthy Activities and Food (HAF) programme has again been extensive, with over 10,000 children accessing a range of our facilities as we provide activities and food for children on free school meals during holiday weeks. This delivery has seen children learning to swim and learning to skate, as well as partnering with various community organisations to ensure an offer is available to all local families that surround our leisure facilities.

The charity does not set targets for grant giving as it is a comparatively small part of the work undertaken. As stated above, the provision and management of the facilities is the primary method of meeting the objects of the charity. The trustees monitor the level of funds in the designated fund (see note 4 of the financial statements) in order to ensure that they make best use of the limited income available and do make grants to community groups in Sheffield in order to support their work promoting sports and physical activity within their communities.

In measuring achievements against the above objectives, the charity uses financial measures, a review of which is given below. In addition to financial performance measures, the charity monitors the performance of its venues using non-financial key performance indicators that give information regarding attendance at each venue by activity, and split attendances by age and gender. These performance indicators are monitored against targets and previous years' results.

### **Financial Review**

The funding agreements for the venues between the charity and Sheffield City Council mean the charity is entitled to receive income to partially fund its operating activities, which in the year amounted to £10,080,000 (2023: £7,688,000).

When considering the financial performance of the charity the trustees examine the results of each facility that the charity operates. In 2023/24 financial performance and attendance levels from community usage continued to grow, however the impact of continuing difficult economic circumstances on the majority of users continued to be felt. The group had positive unrestricted general reserves at 31 March 2024 of £1,314,000 (2023: £1,640,000).

Total incoming resources amounted to £50,832,000 (2023: £41,546,000) and total resources expended amounted to £58,056,000 (2023: £39,048,000) resulting in net outgoing resources before tax of £7,224,000 (2023: incoming resources of £2,498,000).

The results of the charity's trading subsidiary, Sheffield International Venues Limited and also Phoenix Sports Limited are set out in note 2 to the financial statements.

The principal activities of Sheffield International Venues Limited in the year under review were the management of the facilities to deliver commercial income. These activities are in support of the charity's activities such as providing public catering in the buildings and supporting elite athletes to use the spaces when not in use by the general public. Sheffield International Venues also manages unrelated commercial activity that raises the profile of the charity and its facilities and generates income which is used to support the core charitable activities.

7 Hills Leisure Trust has not traded in the year and the objective of the charity in the year was to allow the orderly wind up of the charity. On 29 March 2023, the charity, together with its dormant subsidiary, 7 Hills Commercial Limited, and SIV Enterprises Limited entered Members Voluntary Liquidations (MVL).

In March 2024, the final coupons were paid on the Charity's Luxembourg-listed debt securities. The Charity ceased to be a listed company at that time and is no longer subject to the securities laws and regulations which apply to companies with publicly traded bonds.

## **Trustees' and directors' report (including strategic report) (continued)**

### **Business review**

The trustees consider the general trend in financial performance of the venues to be satisfactory considering the economic climate.

Sheffield City Council continues to support the charity financially under the existing funding agreements. In addition to venue-specific funding, Sheffield City Trust entered into an agreement with Sheffield City Council on 31 March 2022, which was updated by a Deed of Extension on 10 July 2023 to support the charity's operations and solvency over the period to December 2024 and beyond. This has allowed the trustees to continue to deliver services at current levels and to plan for the orderly transfer of services to a new operator. The trustees believe investment can be made in the facilities in a financially sustainable way in partnership with Sheffield City Council and continue to work with Sheffield City Council on this.

As disclosed in note 1, a procurement process was initiated by Sheffield City Council for the future operation of the charity's facilities, with the result that the company is expected to cease to operate its facilities from January 2025, at which point SCT will transfer its operational assets and staff to Sheffield City Council or (as the Council may require) to the new operators appointed by the Council. Support provided by Sheffield City Council to the Sheffield City Trust group will continue throughout both the period of continued operation of facilities and after that until the charity's solvent liquidation, as to which please refer to note 1. As such, the directors do not consider the charity to be a going concern.

### **Our pricing policy**

Prices are set to enable as many people as possible to use the facilities while ensuring that income generated is sufficient to cover the costs of the charity. General economic trends are currently showing sustained significant cost rises across much of our key expenditure items therefore, as far as possible, a higher level of income must be generated by use of the facilities from both core charitable activities and commercial activities, managed by another company within the group. However, it is essential that prices are affordable and in no way create a barrier to use of the facilities by any of the people of Sheffield and concessionary prices are used to ensure that the least wealthy are able to attend.

The trustees review pricing for all charitable activities on an annual basis in order to deliver the best possible facilities to all citizens of Sheffield at affordable prices.

### **Investment powers and policy**

The trustees balance the needs of the organisation to have funds available for the operations of the charity and the need to maximise investment returns. Recently, interest rates have been rising and the charity has responded by moving its funds into accounts which generate a better return thus generating additional income.

No funds are invested in non-cash assets such as property or shares. All property owned by the charity is in order to deliver services directly to the beneficiaries. The trustees believe that the level of cash and bank assets owned is insufficient for the charity to consider investment in stock, shares or bonds, particularly in the current volatile climate for investments.

### **Pension Scheme**

The charitable group contributes to a defined benefit pension scheme provided by South Yorkshire Pension Authority ("SYPA"). As disclosed in previous years a number of members transferred into the SYPA scheme under the provision of TUPE. The scheme closed to new members on 1 September 2009.

On 31 March 2022, the group entered into an agreement with Sheffield City Council in which the historic pension assets and liabilities transferred to Sheffield City Council, thus removing the deficit from the balance sheet of Sheffield City Trust. Sheffield City Trust continues to pay contributions into the scheme for all eligible employees and the future benefits of those employees were unaffected by the change.

All new employees since 1 September 2009 who didn't join under the provisions of TUPE have been eligible to join a defined contribution, group money purchase scheme. Since 1 January 2014 the group has provided pensions under the auto-enrolment provisions and all new employees are automatically enrolled into the group money purchase scheme unless they decide to opt out.

## **Trustees' and directors' report (including strategic report) (continued)**

### **Reserves policy**

The reserves of the charity are split between restricted and unrestricted funds. It is the policy of the trustees to spend unrestricted reserves in pursuit of the charitable objectives in a way that maximises their value in meeting those objectives. At the end of the financial year, the charity had consolidated unrestricted funds of £1,457,000 (2023: £2,017,000) and restricted funds of £24,182,000 (2023: £30,846,000).

The restricted funds of the charity at 31 March 2024 are set out in note 5 of the financial statements.

The level of free reserves at the end of the financial year was £418,000 (2023: negative £2,569,000).

As described above under "Business Review", Sheffield City Council is supporting the operations of the charity, and its eventual planned solvent liquidation, under the Funding Agreement dated 31 March 2022. This arrangement being the main financial support for the charity until its winding up, the trustees consider it appropriate to target a neutral reserves position. To achieve this the charity will continue to drive an increase in footfall across all venues and maximise attendances, whilst continuing to grow the programme of events across both the entertainment and sporting venues, whilst it continues to operate the venues. For further information refer to 'plans for future periods'.

The 31 March 2022 Funding Agreement, together with the positive cash balances held by the charity, provide the trustees with the necessary comfort to continue trading until the management and operation of the venues is handed back to Sheffield City Council and then on to new operators. The Trustees believe that, in light of the provisions of the Funding Agreement, the level of reserves is satisfactory at present.

### **Plans for future periods**

The trustees considered the future of the charity and believe that it will largely be a continuation of the existing model for the nine months that the charity will continue to operate the venues after March 2024. The trustees and senior leadership team continue to drive the charity and its business forward, aiming to maximise usage and attendances whilst recognising that the current difficult economic conditions affecting the majority of users may have a negative impact on that goal.

As from completion in January 2025 of the transfer of Sheffield City Trust's assets at the conclusion of Sheffield City Council's public procurement processes (refer to note 1 for more detail), the charity expects to cease operating any of the venues. It intends that the charity will then proceed to an orderly wind up and solvent liquidation, supported financially by Sheffield City Council.

It is anticipated that the charity will cease to be a member of Phoenix Sports Limited in January 2025, with Sheffield City Council or a company, as directed by Sheffield City Council, becoming the sole member.

The performance of the group in the first six months of 2024/25 was satisfactory, when taking into account the challenging general economic climate. It is the intention of the trustees to continue to invest in facilities as much as possible and to maximise attendances, as much as possible during these challenging economic times and up until the date of handover.

## Trustees' and directors' report (including strategic report) (continued)

### Reference and administrative details

Charity Registration Number: 700520  
Company Registration Number: 2164600

#### Registered Office

English Institute of Sport - Sheffield  
Coleridge Road  
Sheffield  
S9 5DA

#### Secretary

LM Gavin

### Advisers

#### Solicitor

Hemingways Solicitors Limited  
11 Westbourne Road  
Sheffield  
S10 2QQ

#### Auditor

Crowe U.K. LLP  
St George's House  
56 Peter Street  
Manchester  
M2 3NQ

#### Banker

Barclays Bank Plc  
10-12 Pinstone Street  
Sheffield  
S1 2HN

### Directors and directors' interests

The trustees, who also act as directors, who held office during the year and after the year end are as follows:

P Abel  
H Best  
L Clarke  
D Grey MBE  
G Moore (deceased 1 December 2024)  
A Pettifer MBE  
R Plews  
P Taylor  
J Warner

The charity has a Group Audit Committee and Mr J Warner is chairman of that Group Audit Committee. The Group Audit Committee members are Mr J Warner and Mr R Plews.

None of the trustees who held office at the end of the financial year had any disclosable interest in debentures of the charity or in any shares or debentures of any other group company.

According to the Register of Trustees' Interests, no rights to subscribe for debentures of the charity or in any shares or debentures of any other group company were granted to any of the trustees or their immediate families or exercised by them during the year.

### Employees

The group has a policy of offering job opportunities to persons with disabilities where possible.

The group has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues.

The senior employee of the group is:

Chief Executive Andrew Snelling

### Insurance for trustees and officers

Insurance for trustees and officers against liabilities in relation to the group, as permitted by the Companies Act 2006, is maintained under a policy held by Sheffield City Trust. The cost of this amounted to £15,000 (2023: £15,000).

## **Trustees' and directors' report (including strategic report) (continued)**

### **Structure, governance and management**

Sheffield City Trust is a company limited by guarantee and a registered charity and is governed by its Articles of Association. The trustees are the members of the charity under company law. The charity is domiciled and its principal place of business is in the UK.

The trustees recognise the importance of communication with beneficiaries and will issue regular newsletters and updates on specific projects and overall performance. These reports may also include some summary financial information from the financial statements of the charity.

### **Organisation of the charity**

At present the charity has eight trustees. Following the outcome of Sheffield City Council's tender process, given the charity will cease to operate the venues from January 2025, and subsequently wind up, the charity does not intend to look to attract any further trustees.

During the year, the charity had five wholly owned subsidiaries, Sheffield International Venues Limited, SIV Enterprises Limited, Phoenix Sports Limited, a company limited by guarantee, which has complementary objects, 7 Hills Leisure Trust, a registered charity, with independent trustees, but of which the charity is the sole member and 7 Hills Commercial Limited. SIV Enterprises Limited, 7 Hills Leisure Trust and 7 Hills Commercial Limited did not trade during the year and on 29 March 2023, were put into Members Voluntary Liquidation.

Sheffield International Venues Limited undertakes all commercial activities in the venues in order to support the charitable activity.

The overall management and control of the charity's activities and finances are vested in the Chief Executive, Andrew Snelling. The board of the charity meets monthly and Mr Snelling attends all meetings, reporting on all key operational and financial matters. There is a Group Audit Committee which meets as required. There is a Charitable Purposes Committee which focuses on the work of the charity outside the venues. The Charitable Purposes Committee has three members, Helen Best, Chairwoman, Graham Moore and Peter Taylor.

### **Trustee induction and training**

On joining the charity, new trustees benefited from an induction process in which they spent some time with the chairman and chief executive and then the other senior managers and familiarised themselves with the operations of the charity and its subsidiaries.

Each trustee takes a special interest in one aspect of the charity's operations or support functions to be able to act as a point of contact for senior management. As with any special skills that any trustees may have, this arrangement adds to the effectiveness of the trustee board but doesn't change the responsibility of all trustees for all aspects of the governance and activities of the charity.

### **Relationship with other charities and organisations**

The charity co-operates closely with Sheffield City Council as appropriate in pursuit of its charitable objectives. The relationship is conducted in accordance with formal funding agreements. A councillor and an officer of the council are invited to attend as observers at each meeting of the board. The council did not appoint a nominee director to the board of Sheffield International Venues Limited in the year. The council reserves the right to appoint a director in the future.

### **Pay policy for senior staff**

The trustees, who act as directors for the purpose of company law, consider that the board of trustees and the chief executive comprise the key management personnel of the charity in charge of directing and controlling and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received any remuneration in the year.

The pay of the chief executive is reviewed annually by the board of trustees. In view of the nature of the charity, the trustees benchmark against pay levels in other leisure trusts and other similar organisations.

## **Trustees' and directors' report (including strategic report) (continued)**

### **Pay policy for senior staff (continued)**

All such organisations are different, and the trustees are aware of the organisational complexities of the group and take this into consideration when comparing with larger charities. The trustees also look at similar job roles in the local, Sheffield, economy and other local charitable organisations to ensure that salaries are reasonable within the market:

### **Management of risk**

The trustees are responsible for ensuring the effective management of risk including a system of internal financial control which is maintained by the charity. They consider risk management to be an important part of their role and endeavour to follow best practice.

During the year, the management teams at each venue have again discussed the risks identified with the members of the senior leadership team and have ensured that proper controls are in place within their venue. They have also considered each of the objectives set for the venue in the corporate strategy of the charity to ensure that the risks are linked into the operational objectives and that the process of risk mitigation is embedded in the action plans to deliver the objectives. This work of monitoring and mitigating risks within the venues continues to be a major task of the general manager at each venue. The senior leadership team regularly considers corporate risk in its meetings and updates the risk register accordingly. The Group Audit Committee reviews this process at each of its meetings as a standard agenda item providing additional checks and specific skill on top of the trustees' own monitoring process.

The trustees believe one of the key risks to the charity to be the ability of Sheffield City Council to provide adequate funds to maintain the buildings during the period in which they are operated by the Sheffield City Trust group. Additional funding has been provided by Sheffield City Council to cover the cost of essential maintenance work on the venues during the period through to January 2025 and the planned transfer of the facilities to new operators procured by the Council.

The trustees also believe the general economic climate to be a major risk to the group, particularly in respect of the significant rise in cost of living over recent years. The general rise in cost of living is impacting on individuals' disposable incomes and as such will impact on the ability of customers to pay for the services offered by the company, as they choose where to spend what disposable income they have.

Rising prices in recent years, which remain stubbornly high, are also considered a major risk to the group, in particular higher energy costs, as energy costs make up a significant part of the charity's overall cost base, however these costs are managed to the extent possible through fixed price contracts.

Following the procurement process initiated by Sheffield City Council to identify new operators for the entertainment and leisure facilities, the charity will cease to operate any venues from January 2025. All venues are expected to transfer to Sheffield City Council, and ultimately to new operators in January 2025. Support provided by Sheffield City Council to the Sheffield City Trust group will continue throughout both the period of continued operation of facilities and then beyond, until such time as the Trust has completed the process of winding up, solvently (refer to note 1 for further detail). As such, the directors do not consider the company to be a going concern.

The trustees have identified a number of other risks which they consider to be important to the business and have action plans to mitigate against them but believe that the risks considered above are the most significant.

### **Public Benefit**

The trustees are aware of their duty to ensure that the charity provides a public benefit. Each year the prices charged for the charitable activities within each venue are reviewed by the trustees in order to ensure that they are reasonable and affordable to the vast majority of the citizens of Sheffield. The trustees are proud of their fitness membership package which provides high quality fitness membership at very good value for money, the excellent coached activity programme which provides affordable access to swimming, gymnastics and trampolining lessons amongst others and of the low prices of the Sheffield International Concert Season. In increasingly difficult economic times it is becoming difficult to maintain access to so many citizens. The trustees believe that the high levels of customer service, for which the group has won awards, demonstrates an ethos of providing the highest possible standards to all. Additionally, the charity offers concessionary prices on all products, including fitness membership and coached programmes, at 40% discount. The level and breadth of discount available are market leading and reflect the charity's commitment to ensuring services are available to as many of the citizens of Sheffield as possible.

The charity is the only member of 7 Hills Leisure Trust, a now dormant charity going through Members Voluntary Liquidation.

## **Trustees' and directors' report (including strategic report) (continued)**

### **Stakeholder engagement and section 172 statement**

The group operates in an environment which involves engagement with a wide network of stakeholders. The trustees understand that its relationships with stakeholders evolve and change over time. To respond to this, the Board keeps itself informed of its key stakeholders' interests through a combination of both direct and indirect engagement.

The trustees have regard to the interests of their stakeholders when discharging their duties. The trustees have identified the key stakeholders as its customers, people (employees), suppliers and the communities in which it operates. This section describes how the Board engages with its key stakeholders and how it considers their interests when making decisions. Further, it demonstrates how the board takes into consideration the long-term impact of its decisions, its desire to maintain a reputation for high standards of business conduct, and its requirement to act fairly between members of the group.

#### *Customers*

The trustees recognise that the importance of creating long lasting relationships with our customers and partners is vital to the way we do business.

For example, through the quality of the experience provided in venues and interaction with our general customer base whilst in our venues, through the GP exercise referral programme that we offer and work we do with our customers to benefit the local community, we develop and build lasting relationships which work to the benefit of all parties. Our reputation and success are built on the relationships we create, and we ensure that we continue to build on these for the future.

In addition, we carry out formal and informal feedback with customers that use our venues, using the results of this feedback to further develop relationships and make changes to the business where it is considered appropriate to do so.

In making strategic business decisions, the trustees consider their impact on customers, for example when considering the pricing structure, and aim to make business decisions that are beneficial and in the interests of the customer base.

#### *People*

Our people are fundamental to the charity's success. We recognise that their opinions count towards improving the workplace and the continued performance of the business.

The charity has a formal consultation procedure in respect of employees' terms and conditions and health and safety issues. We engage with our people through surveys, by providing learning and development opportunities where required and through providing access to health and wellbeing initiatives.

The charity has a policy of offering job opportunities to persons with disabilities where possible.

#### *Suppliers*

The group's supply chain plays an important part in the delivery of its strategy and its success is tied to the performance of suppliers.

We continue to build strong relationships with our key suppliers and our wider stakeholder population. We are committed to securing services and supplies from local suppliers to support the strategy of the group and the importance it places on the local economy.

The group ensures that it maintains high standards of business conduct throughout its supply chain.

#### *Communities and environment*

It is important to us to support and give back to the local communities in which we operate including a commitment to supporting employees to give time to community and charitable activities. These include operating various activities within the community, for example cooking meals for the homeless, volunteering in local food banks and volunteering in local schools. We continue to monitor and are committed to reducing our carbon footprint.

**Trustees' and directors' report (including strategic report) (continued)**

**Streamlined Energy and Carbon Reporting**

***UK energy use and associated greenhouse gas emissions***

Current UK based annual energy usage and associated annual greenhouse gas (“GHG”) emissions are reported pursuant to the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (“the 2018 Regulations”) that came into force 1<sup>st</sup> April 2019.

***Organisational boundary***

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are for those assets owned or controlled within the UK only as defined by the operational control boundary. This includes fifteen sites, along with fleet vehicles and personal vehicles used for business mileage (“grey fleet”).

***Reporting period***

The annual reporting period is 1<sup>st</sup> April to 31<sup>st</sup> March each year and the energy and carbon emissions are aligned to this period.

***Quantification and reporting methodology***

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2023 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Zenergi Limited.

Electricity, gas, purchased heat and oil consumption were based on consumption data and invoice records, while mileage expense claims and fuel records were used to calculate energy and emissions from fleet vehicles and grey fleet. Where energy data was not available, the pro-rata estimation technique has been applied and noted on the carbon dashboard. 2022/23 emission figures have been revised. Total fuel data was not provided. This has been reviewed and validated in 2023/24 reporting period. To align carbon consumption, the direct comparison estimation technique has been applied. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of trust activities but occur from sources not owned or controlled by the organisation (scope 3).

***Breakdown of energy consumption used to calculate emissions (kWh):***

Energy type	Reporting Year 2022-2023	Reporting Year 2023-2024
<b>Mandatory energy sources:</b>		
Gas	10,649,947	9,339,084
Purchased electricity	18,308,276	16,888,503
Transport fuel	92,264	91,527
<b>Total Energy (mandatory)</b>	<b>29,050,487</b>	<b>26,319,114</b>
<b>Voluntary energy sources:</b>		
District heating	21,362,227	18,134,726
Oil	449,051	427,036
<b>Total energy (voluntary)</b>	<b>21,811,278</b>	<b>18,561,762</b>
<b>Total energy (mandatory and voluntary)</b>	<b>50,861,765</b>	<b>44,880,876</b>

**Trustees' and directors' report (including strategic report) (continued)**

**Streamlined Energy and Carbon Reporting (continued)**

*Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):*

Emission source	Reporting Year 2022-2023	Reporting Year 2023-2024
<b>Mandatory emission sources:</b>		
<b>Scope 1</b>		
Gas	1,944.0	1,708.4
Trust owned vehicles	11.9	11.6
<b>Scope 2</b>		
Purchased electricity (location based)	3,540.5	3,497.2
<b>Scope 3:</b>		
Category 6: Business travel (grey fleet)	7.7	7.6
<b>Total gross emissions (mandatory)</b>	<b>5,504.1</b>	<b>5,224.8</b>
<b>Voluntary emission sources:</b>		
<b>Scope 1</b>		
Oil	116.1	110.4
<b>Scope 2</b>		
District Heating	3,647.2	3,257.8
<b>Total gross emissions (voluntary)</b>	<b>3,763.3</b>	<b>3,368.2</b>
<b>Total gross emissions (mandatory and voluntary)</b>	<b>9,267.4</b>	<b>8,593.0</b>
<b>Outside of scopes</b>		
Biofuel (CO <sub>2</sub> only)	34.7	33.4

Outside of scopes emissions are used to account for burning biomass and other biofuels. The emissions are labelled 'outside of scopes' because the scope 1 impact of the CO<sub>2</sub> released through these fuels has been determined to be 'net zero' (since the fuel source itself absorbs an equivalent amount of CO<sub>2</sub> during the growth phase as the CO<sub>2</sub> released through combustion). Therefore, to fully account for the emissions, the CO<sub>2</sub> component of the combustion process is quantified but placed 'outside of scopes,' (as opposed to in scope 1 which is usual for directly combusted fuels). The CH<sub>4</sub> and N<sub>2</sub>O components of the combustion of the fuel have been reported in scope 1.

Intensity ratios	Reporting Year 2022-2023	Reporting Year 2023-2024
<b>Mandatory emission only:</b>		
Tonnes of CO <sub>2</sub> e per thousand-square meter floor area	46.6	44.2
<b>Mandatory and voluntary emissions:</b>		
Tonnes of CO <sub>2</sub> e per thousand-square meter floor area	78.4	72.7

**Intensity ratio**

The intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per thousand-square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions. Floor area is calculated using Gross Internal Area, predominantly from Display Energy Certificates and Energy Performance Certificates.

## Trustees' and directors' report (including strategic report) (continued)

### Streamlined Energy and Carbon Reporting (continued)

#### Energy efficiency action during current financial year

The ESOS Phase 2 audits carried out in 2019 identified a number of short and long term energy saving opportunities; below are actions that took place during the 2023/24 reporting period.

- Staff awareness has increased through education on how to be more energy efficient, reducing wastage. This initiative has an estimated annual saving of around 1,300 MWh and 230 tCO<sub>2</sub>e.
- Fan speed controls were restored in air handling units 1 and 2, at Hillsborough Leisure Centre during the 2023 BMS refurbishment, resulting in a potential annual saving of 100 MWh and 26 tCO<sub>2</sub>e.
- Dampers in the east and west air handling units at Ponds Forge have been repaired and replaced resulting in an approximate annual saving of 133 MWh.
- LED lighting upgrades at Sheffield Arena, Ponds Forge, English Institute of Sport, Hillsborough Leisure Centre and ICE Sheffield, significantly reducing electricity usage.
- Technological investments have continued through the installation of new chillers at the English Institute of Sport, pumps & controls and more energy efficient heat exchangers at Ponds Forge for the pools.
- New BMS systems implemented at Ponds Forge, Hillsborough Leisure Centre and ICE Sheffield.

Sheffield City Trust remains committed to reducing its carbon footprint and continues to look out for new energy saving and funding opportunities going forward.

The format of the SECR disclosure and some of the prior year numbers are slightly different from that reported in the prior year as the charity has changed its energy advisors during the year resulting in minor differences in calculation.

#### Disclosure of information to auditor

The trustees who held office at the date of approval of the trustees' report and this strategic report confirm that, so far as they are each aware, there is no relevant information of which the group's auditor is unaware; and each trustee has taken all steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

#### Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Crowe U.K. LLP therefore continued in office.

In accordance with Section 414 of the Companies Act 2006, the company has prepared a trustee's report that includes information that would be included with a strategic report. The trustees authorise both the trustees' report and strategic report below.

By order of the board

  
**D Grey MBE**  
Chairman

English Institute of Sport - Sheffield  
Coleridge Road  
Sheffield  
S9 5DA  
17 December 2024

Company registration number 2164600  
Charity registration number 700520

## **Statement of trustees' responsibilities in respect of the strategic report, the trustees' report and the consolidated financial statements**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and charitable company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of their profit or loss for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

## Independent auditor's report to the members of Sheffield City Trust

### Opinion

We have audited the financial statements of Sheffield City Trust (the Trust) and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, Company Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cashflow Statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Trust's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to note 1 in the financial statements which explains that the company's directors intend to cease operations in January 2025 with a view to winding up the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. The winding up is scheduled to take place in 2025, following a transfer of operations to new providers on completion of a tender process by Sheffield City Council. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1. Our opinion is not modified in respect of this matter.

### Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## **Independent auditor's report to the members of Sheffield City Trust (continued)**

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

In light of the knowledge and understanding of the Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the Trust 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 Trust 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 Trust 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.

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and Trust operate. We considered this context to be the Companies Act 2006 and Charities Act 2011. We identified the greatest risk of material impact on the non-statutory financial statements from irregularities, including fraud, to be the override of controls by management, completeness of grant income and cutoff of event income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, recalculating grant amortisation and ensuring the correct treatment of a sample of in year grants received, testing the cutoff of events held around the reporting date and reviewing the accounting estimates for bias.

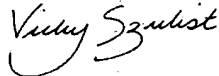
Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the non-statutory financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

**Independent auditor's report to the members of Sheffield City Trust (*continued*)**

**Use of our report**

This report is made solely to the Trust'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 Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Vicky Szulist (Senior Statutory Auditor)**  
**for and on behalf of Crowe U.K. LLP, Statutory Auditor**  
*Chartered Accountants*  
3rd Floor  
St Georges House  
56 Peter Street  
Manchester  
M2 3NQ

18th December 2024

**Consolidated statement of financial activities** *(incorporating income & expenditure account)*  
*For the year ended 31 March 2024*

		Unrestricted funds	Restricted Funds – charitable activities	Total funds	Total funds
	Note	2024 £000	2024 £000	2024 £000	2023 £000
<b>Incoming resources</b>					
Income from charitable activities		32,194	-	32,194	29,319
Investment income		756	-	756	103
Income from donations and legacies - Grants receivable		211	-	211	212
Income from donations and legacies - Sheffield City Council		10,909	6,762	17,671	11,912
<b>Total incoming resources</b>		<b>44,070</b>	<b>6,762</b>	<b>50,832</b>	<b>41,546</b>
<b>Resources expended</b>					
Expenditure on raising funds		(32,816)	(2,896)	(35,712)	(22,106)
Expenditure on charitable activities – general		(11,814)	(10,530)	(22,344)	(16,942)
<b>Total resources expended</b>	3	<b>(44,630)</b>	<b>(13,426)</b>	<b>(58,056)</b>	<b>(39,048)</b>
<b>Net (outgoing)/incoming resources before tax</b>	6	<b>(560)</b>	<b>(6,664)</b>	<b>(7,224)</b>	2,498
Taxation	9	-	-	-	35
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>		<b>(560)</b>	<b>(6,664)</b>	<b>(7,224)</b>	2,533
<b>Net (loss)/profit in the year</b>		<b>(560)</b>	<b>(6,664)</b>	<b>(7,224)</b>	2,533
Fund balances brought forward		2,017	30,846	32,863	30,330
<b>Fund balances carried forward</b>	4/5	<b>1,457</b>	<b>24,182</b>	<b>25,639</b>	32,863

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

**Company statement of financial activities** *(incorporating income & expenditure account)*  
*For the year ended 31 March 2024*

	Unrestricted funds	Restricted funds – charitable activities	Total funds	Total funds
Note	2024 £000	2024 £000	2024 £000	2023 £000
<b>Incoming resources</b>				
Income from charitable activities	10,901	-	10,901	10,500
Investment income	172	-	172	102
Income from donations and legacies – Grants receivable	6	-	6	7
Income from donations and legacies – Sheffield City Council	10,801	5,115	15,916	11,586
<b>Total incoming resources</b>	<b>21,880</b>	<b>5,115</b>	<b>26,995</b>	<b>22,195</b>
<b>Resources expended</b>				
Expenditure on charitable activities – general	(22,345)	(10,530)	(32,875)	(19,003)
<b>Total resources expended</b>	<b>3 (22,345)</b>	<b>(10,530)</b>	<b>(32,875)</b>	<b>(19,003)</b>
<b>Net (outgoing)/incoming resources before tax</b>	<b>6 (465)</b>	<b>(5,415)</b>	<b>(5,880)</b>	<b>3,192</b>
Tax	-	-	-	-
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>	<b>(465)</b>	<b>(5,415)</b>	<b>(5,880)</b>	<b>3,192</b>
<b>Net (loss)/profit in the year</b>	<b>(465)</b>	<b>(5,415)</b>	<b>(5,880)</b>	<b>3,192</b>
Fund balances brought forward	1,084	11,040	12,124	8,932
<b>Fund balances carried forward</b>	<b>4/5 619</b>	<b>5,625</b>	<b>6,244</b>	<b>12,124</b>

The accompanying notes form part of the financial statements.

All incoming resources and resources expended derive from continuing activities which are in furtherance of the charity's objects.

## Consolidated balance sheet

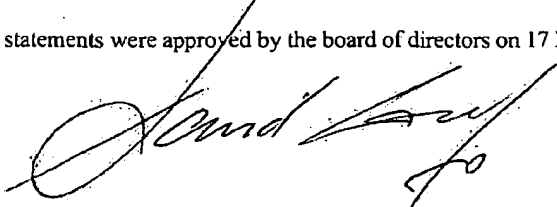
As at 31 March 2024

	Note	2024		2023	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible Assets	11	7		17	
Tangible fixed assets	12	139,169		149,337	
Negative goodwill	10	(6,163)		(6,368)	
		<u>          </u>	<u>133,013</u>	<u>          </u>	<u>142,986</u>
<b>Current assets</b>					
Stocks	14	257		233	
Debtors (including debtors due after one year of £nil (2023: £32,490,000))	15	38,041		35,166	
Cash at bank and in hand	16	7,549		6,013	
Cash at bank and in hand – third party ticket monies	16	11,610		9,036	
		<u>          </u>		<u>          </u>	
<b>Creditors: amounts falling due within one year</b>	17	57,457 <u>(163,220)</u>		50,448 <u>(34,016)</u>	
<b>Net current (liabilities)/ assets</b>			<u>(105,763)</u>		<u>16,432</u>
<b>Total assets less current liabilities</b>			<u>27,250</u>		<u>159,418</u>
<b>Creditors: amounts falling due after more than one year</b>	18				(126,440)
<b>Provisions for liabilities</b>	19		(1,611)		(115)
			<u>          </u>		<u>          </u>
<b>Net assets</b>			<u>25,639</u>		<u>32,863</u>
<b>Fund balances</b>					
Unrestricted reserves					
Designated reserve	4		143		377
General reserve	4		1,314		1,640
			<u>          </u>		<u>          </u>
<b>Net unrestricted funds</b>			1,457		2,017
<b>Restricted funds</b>	5		24,182		30,846
			<u>          </u>		<u>          </u>
<b>Total funds</b>			<u>25,639</u>		<u>32,863</u>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 17 December 2024 and were signed on its behalf by:

**D Grey MBE**  
Chairman



Charity Registration Number 700520 / Company registration number: 2164600

**Company balance sheet**  
*As at 31 March 2024*

	<i>Note</i>	<b>2024</b>		<b>2023</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments	<i>13</i>	-		-	
Intangible assets	<i>11</i>	7		17	
Tangible fixed assets	<i>12</i>	<b>115,918</b>		124,597	
			<b>115,925</b>		124,614
<b>Current assets</b>					
Debtors (including debtors due after one year of £nil (2023 - £32,490,000))	<i>15</i>	<b>39,758</b>		36,454	
Cash at bank and in hand	<i>16</i>	<b>2,904</b>		3,000	
		<b>42,662</b>		39,454	
<b>Creditors: amounts falling due within one year</b>	<i>17</i>	<b>(150,732)</b>		(25,389)	
<b>Net current (liabilities)/assets</b>			<b>(108,070)</b>		14,065
<b>Total assets less current liabilities</b>			<b>7,855</b>		138,679
<b>Creditors: amounts falling due after more than one year</b>	<i>18</i>		-		(126,440)
<b>Provision for liabilities</b>	<i>19</i>		<b>(1,611)</b>		(115)
<b>Net assets</b>			<b>6,244</b>		12,124
<b>Fund balances</b>					
Unrestricted reserves					
Designated reserve	<i>4</i>		<b>143</b>		377
General reserve	<i>4</i>		<b>476</b>		707
Net unrestricted funds			<b>619</b>		1,084
Restricted funds	<i>5</i>		<b>5,625</b>		11,040
<b>Total funds</b>			<b>6,244</b>		12,124

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 17 December 2024 and were signed on its behalf by:

**D Grey MBE**  
*Chairman*

Charity Registration Number 700520 / Company registration number: 2164600

## Consolidated cash flow statement

For year ended 31 March 2023

	<i>Note</i>	<b>2024</b> £000	2023 £000
<b>Cash flows from operating activities</b>			
Net (outgoing)/incoming resources before other recognised gains or losses		(7,224)	2,533
<i>Adjustments for:</i>			
Depreciation and amortisation	10/11/12	13,204	4,498
Interest receivable and similar income		(756)	(103)
Interest payable and similar charges		1,080	2,047
Profit on disposal		(4)	(5)
Provision for dilapidations and redundancy	19	1,496	115
		<hr/>	<hr/>
		7,796	9,085
Increase in trade and other debtors	15	(2,875)	(845)
Increase in stocks	14	(24)	(17)
Increase in trade and other creditors	17	3,159	3,099
		<hr/>	<hr/>
Tax received		8,056	11,322
		-	35
		<hr/>	<hr/>
<b>Net cash from operating activities</b>		<b>8,056</b>	<b>11,357</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Acquisition of tangible fixed assets	12	(3,233)	(2,045)
Proceeds from disposal of tangible fixed assets		6	5
Interest received		756	103
		<hr/>	<hr/>
<b>Net cash from investing activities</b>		<b>(2,471)</b>	<b>(1,937)</b>
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Proceeds from new loan		17,608	16,559
Interest paid		(1,076)	(2,043)
Repayment of borrowings		(17,808)	(16,791)
Payment of finance lease liabilities		(199)	(64)
		<hr/>	<hr/>
<b>Net cash from financing activities</b>		<b>(1,475)</b>	<b>(2,339)</b>
		<hr/>	<hr/>
Net increase in cash and cash equivalents		4,110	7,081
Cash and cash equivalents brought forward		15,049	7,968
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>		<b>19,159</b>	<b>15,049</b>
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of the financial statements.

**Consolidated analysis of net debt**  
*For year ended 31 March 2024*

	At 1 April 2023 £000	Cashflows £000	Non-cash movements £000	At 31 March 2024 £000
Cash at bank and in hand	15,049	4,110	-	19,159
Bank loans	(259)	200	-	(59)
Other loans	(3,513)	-	-	(3,513)
Finance Leases	(250)	199	-	(51)
Bond	(17,604)	17,608	(4)	-
Sheffield City Council	(122,817)	(17,608)	-	(140,425)
	<u>(129,394)</u>	<u>4,509</u>	<u>(4)</u>	<u>(124,889)</u>

## Notes to the financial statements

### 1 Accounting policies

Sheffield City Trust (the "charity") is a company limited by guarantee, is a registered charity (registration number 700520) and is incorporated and domiciled in the UK. The charity is a public benefit entity.

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (*Charities SORP FRS 102*), the Charities Act 2011 and the Companies Act 2006. The presentation currency of these financial statements is sterling. The current years financial statements are for the year from 1 April 2023 to 31 March 2024 (*2023: 1 April 2022 to 31 March 2023*).

The parent company is included in the consolidated financial statements; and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 24.

#### ***Going concern***

During the year ended 31 March 2024, Sheffield City Trust had net outgoing resources before tax of £7,224,000, an increase in cash of £4,110,000 to £19,159,000 and Group net assets of £25,639,000 as at 31 March 2024.

#### **Current Trading**

Sheffield City Council provides legally binding support to Sheffield City Trust as follows:

Under the 'Shortfall Funding Agreement' Sheffield City Council provides deficit funding support with reference to three venues (Utilita Arena Sheffield, Hillsborough Leisure Centre and Ponds Forge International Sports Centre) which were constructed for the 1991 World Student Games. Under the Shortfall Funding Agreement, Sheffield City Council provided the funds required to repay the charity's £140.25 million bonds and the interest on the bonds. Additionally, Sheffield City Trust entered into a Funding Agreement with Sheffield City Council on 31 March 2022 to provide the funds and cashflow support necessary to support the financial position of the charity until its solvent liquidation.

As with any charity placing reliance on a partner for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

#### **Operations Post 2024**

Sheffield City Council has confirmed its intention to conclude its public procurement processes in time to allow the transfer the charity's operating assets to Sheffield City Council or the appointed operators, in early January 2025. As indicated above, Sheffield City Council has agreed to support the charity financially both before and after that transfer of assets, through to the charity's solvent liquidation.

It is anticipated that in early January 2025, Sheffield City Trust will cease to be a member of Phoenix Sports Limited with Sheffield City Council, or another company as directed by Sheffield City Council, becoming the sole member, with Phoenix Sports Limited transferring as a going concern.

#### **Conclusion**

As a result of the above, the charity will cease to operate any venues in early January 2025 and will thereafter look towards a solvent liquidation following its cessation of trade. The charity is therefore not considered to be a going concern and the accounts have therefore been prepared on this basis. As a result of applying the non-going concern basis, there has been no revision of the numbers.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *Operating Segments*

The Trustees believe that the Group comprises a single reporting segment, that being the provision of facilities to enable the public to participate in recreational activities, which promotes the health and well being of the people of Sheffield and surrounding areas.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the charity and its trading subsidiary undertakings made up to 31 March 2024. The consolidated statement of financial activities consolidates the results of the charitable activities of the group on a line by line basis. Dormant subsidiaries, 7 Hills Leisure Trust, 7 Hills Commercial Limited and SIV Enterprises Limited have been excluded from the consolidation.

#### *Investments*

In the charity's financial statements, investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

#### *Fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives. Historically, applicable rates were as follows:

Fixtures, fittings and equipment	-	5% to 100% per annum
Leasehold buildings (other than venues)	-	life of lease

No depreciation was provided on freehold or leasehold land.

As a result of the outcome of Sheffield City Council's public procurement process and in line with the lease agreements, all assets are expected to transfer to the new operator and as such depreciation has been accelerated in the current year and all assets, with the exception of those held in Phoenix Sports Limited which will transfer with the legal entity, are being written down to a £nil residual value by 31 December 2024.

#### *Capital grants receivable and restricted funds*

In accordance with the requirements of the Financial Reporting Standard 102 "The financial reporting standard applicable in the United Kingdom and Ireland" (Charities SORP (FRS 102)) capital grants are recognised as restricted funds in the accounting period in which they are received. Depreciation charged over the period imposed by the grant agreement associated with the restricted fund, is included within restricted funds. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### *Revenue grants and unrestricted funds*

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Revenue grants are recognised in the period in which the relevant expenditure is incurred and in line with any conditions specific to the grant. Where performance criteria are met, the grant is released.

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

#### *Pension costs*

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *Pension costs (continued)*

In the year, the group contributed to a pension scheme operated by South Yorkshire Pension Authority providing benefits based on final pensionable pay. On 31 March 2022, the historic assets and liabilities of the South Yorkshire Pension Scheme were subsumed by the Sheffield City Council South Yorkshire Pension Scheme and the group has been discharged of its net pension liability. Contributions to the scheme during the year are charged to the profit and loss account

#### *Goodwill*

Goodwill arising on acquisition is released over the period of use of the non-monetary assets to which it relates. Negative goodwill arising on acquisition is released to the statement of financial activities in the periods in which the fair values of non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

#### *Tax*

Sheffield City Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from tax in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2013 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Sheffield International Venues Limited is the trading subsidiary of the Trust. The company has a policy of making gift aid payments equivalent to at least its taxable profit subject to sufficient distributable reserves being available. Therefore, it does not expect to incur any tax charges and deferred tax accounting is not considered to be necessary.

#### *Incoming resources from charitable activities*

Incoming resources from charitable activities represents the amounts (excluding value added tax) derived from the rental of sites in Sheffield developed as recreational facilities together with other income derived from those sites, including payment by the community for use of the recreational facilities. All income from these activities arises from activities in the United Kingdom.

#### *Interest receivable and payable*

Interest receivable or payable is recognised in the statement of financial activities on an accruals basis.

#### *Resources expended and allocation of charitable expenditure*

Resources expended are accounted for on an accruals basis and are classified by the trustees as expenditure on raising funds or expenditure on charitable activity, depending on the nature of the expenditure incurred. Where resources expended are apportioned this is done on the basis of the use of the resources.

#### *Financial instruments*

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

#### *Financial assets*

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts, discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party without imposing additional restrictions.

#### *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Notes to the financial statements (continued)**

**2 Results of subsidiary organisations**

During the year the charity had five wholly owned subsidiaries which are incorporated in the UK. Sheffield International Venues Limited manages sporting and recreational facilities as agent for Sheffield City Trust in respect of the community income and expenditure, and as principal in respect of ancillary commercial income and expenditure for Sheffield City Trust. 7 Hills Leisure Trust and 7 Hills Commercial Limited have not traded in the year having entered into Members Voluntary Liquidation on 29 March 2023.

Phoenix Sports Limited provides full ownership and operation of the English Institute of Sport - Sheffield. The charity indirectly owns SIV Enterprises Limited, through Sheffield International Venues Limited. SIV Enterprises Limited did not trade during the year having entered into Members Voluntary Liquidation on 29 March 2023.

A summary of the trading activities of Sheffield City Trust's subsidiaries are shown below.

**Sheffield International Venues Limited**

	2024 £000	2023 £000
Turnover	21,293	18,818
Other operating income	2,144	846
Raw materials and consumables	(2,979)	(2,612)
Staff costs	(5,494)	(5,051)
Depreciation	(2,091)	(1,354)
Other operating charges	(13,440)	(9,869)
	<hr/>	<hr/>
<b>Operating (loss)/profit</b>	<b>(567)</b>	<b>778</b>
Net interest receivable/(payable)	567	(14)
	<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<b>-</b>	<b>764</b>
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>
<b>Profit retained in the subsidiary</b>	<b>-</b>	<b>764</b>
	<hr/> <hr/>	<hr/> <hr/>

The directors reviewed the funding arrangements for Sheffield International Venues Limited and its budgets for the coming period, up to the date that the venues are transferred to a new operator and believe that due to the significant increase in energy costs, it will not make a positive contribution to the financial affairs of the charity in 9 months to December 2024. The directors will keep this position under close review and take appropriate action to mitigate against future losses.

	2024 £000	2023 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	1,291	2,290
Current assets	18,641	13,511
Creditors: amounts falling due within one year	(19,168)	(14,343)
Creditors: amounts falling due after more than one year	-	(694)
	<hr/>	<hr/>
<b>Net assets</b>	<b>764</b>	<b>764</b>
	<hr/> <hr/>	<hr/> <hr/>

**Statement of other comprehensive income**

	2024 £000	2023 £000
Profit for the financial period	-	764
	<hr/>	<hr/>
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>764</b>
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the financial statements *(continued)*

### 2 Results of subsidiary organisations *(continued)*

#### Phoenix Sports Limited

	2024 £000	2023 £000
<b>Income</b>		
Lottery grant released	433	433
Yorkshire Forward grant released	14	14
Lifecycle fund	441	424
Grant income	92	71
Other income	92	92
	1,072	1,034
<b>Expenditure</b>		
Building Maintenance	(363)	(372)
Depreciation	(684)	(658)
	25	4
<b>Operating profit</b>	25	4
<b>Profit on ordinary activities before tax</b>	25	4
Tax on profit on ordinary activities	-	35
	25	39
<b>Profit retained in the subsidiary</b>	25	39

The directors reviewed the funding arrangements for Phoenix Sports Limited and its budgets for the coming period and believe that it will continue to make a small positive contribution to the financial affairs of the charity.

	2024 £000	2023 £000
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	15,797	16,083
Current assets	1,703	2,366
Deferred income: amounts falling due within one year	(611)	(571)
Deferred income: amounts falling due after more than one year	(16,926)	(17,940)
	(37)	(62)
<b>Net liabilities</b>	(37)	(62)

#### 7 Hills Leisure Trust and SIV Enterprises Limited

Both 7 Hills Leisure Trust and SIV Enterprises Limited were dormant in the year, having entered a Members Voluntary Liquidation on 29 March 2023 and are in the process of being struck off. As such they, together with 7 Hills Commercial Limited, have been excluded from the consolidation. 7 Hills Commercial Limited was dissolved on 14 September 2024.

**Notes to the financial statements (continued)**

**3 Resources expended**

	<b>Group</b>		<b>Company</b>	
<i>Unrestricted funds</i>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<i>Expenditure on raising funds</i>				
Ground rent	16	15	-	-
Overheads including staff costs, depreciation and finance lease interest	32,800	20,403	-	-
	<u>32,816</u>	<u>20,418</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities - General</i>				
Ground rent	38	115	38	115
Interest on loans	225	137	225	137
Interest payable on bonds	833	1,885	833	1,885
Overheads including staff costs, depreciation and finance lease interest	10,718	12,744	21,249	14,805
	<u>11,814</u>	<u>14,881</u>	<u>22,345</u>	<u>16,942</u>
<b>Total unrestricted resources expended</b>	<u><u>44,630</u></u>	<u><u>35,299</u></u>	<u><u>22,345</u></u>	<u><u>16,942</u></u>
<i>Restricted funds</i>				
<i>Expenditure on raising funds</i>				
Overheads	1,433	656	-	-
Depreciation	1,463	1,032	-	-
	<u>2,896</u>	<u>1,688</u>	<u>-</u>	<u>-</u>
<i>Expenditure on charitable activities</i>				
Overheads	3,507	649	3,507	649
Depreciation	7,023	1,412	7,023	1,412
	<u>10,530</u>	<u>2,061</u>	<u>10,530</u>	<u>2,061</u>
<b>Total restricted resources expended</b>	<u><u>13,426</u></u>	<u><u>3,749</u></u>	<u><u>10,530</u></u>	<u><u>2,061</u></u>

## Notes to the financial statements (continued)

### 4 Unrestricted funds

The breakdown of the unrestricted funds between designated and general funds is as follows:

Group	At 31 March 2022 £000	Income £000	Utilised £000	Transfer between reserves £000	At 31 March 2023 year £000	Income £000	Utilised £000	At 31 March 2024 year £000
<b>Designated funds</b>								
Direct support of other charitable activities in Sheffield	491	100	(214)	-	377	4	(238)	143
Health fund	5	-	(5)	-	-	-	-	-
Other designated reserves	9	-	-	(9)	-	2	(2)	-
<b>General funds</b>								
Retained (deficit)/surplus	(2,517)	39,202	(35,045)	-	1,640	44,064	(44,390)	1,314
	<u>(2,012)</u>	<u>39,302</u>	<u>(35,264)</u>	<u>(9)</u>	<u>2,017</u>	<u>44,070</u>	<u>(44,630)</u>	<u>1,457</u>
<b>Company</b>								
<b>Designated funds</b>								
Direct support of other charitable activities in Sheffield	491	100	(214)	-	377	4	(238)	143
Health fund	5	-	(5)	-	-	-	-	-
Other designated reserves	9	-	-	(9)	-	2	(2)	-
<b>General funds</b>								
Retained (deficit)/surplus	(2,747)	20,177	(16,723)	-	707	21,874	(22,105)	476
	<u>(2,242)</u>	<u>20,277</u>	<u>(16,942)</u>	<u>(9)</u>	<u>1,084</u>	<u>21,880</u>	<u>(22,345)</u>	<u>619</u>

The fund to support the other charitable activities of the charity provides grants to other groups where those groups are considered the most appropriate way of furthering the charity's objects within the specific target communities.

The health fund was established to fund children's education and nutrition programmes.

### 5 Restricted funds

Group	At 31 March 2022 £000	Incoming Resources £000	Utilised £000	Transfers between reserves £000	At 31 March 2023 £000	Incoming Resources £000	Utilised £000	At 31 March 2024 £000
iceSheffield capital grant	5,760	-	(185)	-	5,575	-	(3,185)	2,390
Sheffield City Hall renovation grant	3,085	-	(92)	-	2,993	-	(1,710)	1,283
EISS grant	18,164	-	(871)	-	17,293	-	(888)	16,405
NCSEM at Concord Sports Centre	239	-	(80)	-	159	-	(91)	68
Essential maintenance grant	3,936	2,124	(2,389)	-	3,671	6,696	(7,377)	2,990
EISS Sport hall grant	1,143	-	(39)	-	1,104	-	(68)	1,036
Other grants	15	120	(93)	9	51	66	(107)	10
	<u>32,342</u>	<u>2,244</u>	<u>(3,749)</u>	<u>9</u>	<u>30,846</u>	<u>6,762</u>	<u>(13,426)</u>	<u>24,182</u>

**Notes to the financial statements (continued)**

**5 Restricted funds (continued)**

	At 31 March 2022 £000	Incoming Resources £000	Utilised £000	Transfers between reserves £000	At 31 March 2023 £000	Incoming Resources £000	Utilised £000	At 31 March 2024 £000
<i>Company</i>								
iceSheffield capital grant	5,760	-	(185)	-	5,575	-	(3,185)	2,390
Sheffield City Hall renovation grant	3,085	-	(92)	-	2,993	-	(1,710)	1,283
NCSEM at Concord Sports Centre	239	-	(80)	-	159	-	(91)	68
Essential maintenance grant	2,048	1,798	(1,612)	-	2,234	5,049	(5,418)	1,865
EISS Sport hall grant	42	-	(3)	-	39	-	(23)	16
Other grants	-	120	(89)	9	40	66	(103)	3
	<u>11,174</u>	<u>1,918</u>	<u>(2,061)</u>	<u>9</u>	<u>11,040</u>	<u>5,115</u>	<u>(10,530)</u>	<u>5,625</u>

The restricted funds of £2,390,000 in respect of iceSheffield represent funding received from Sport England to aid the charity in building the national ice centre in the Lower Don Valley. This project was completed in 2003 and the fund is being amortised as the asset is depreciated.

The restricted funds of £1,283,000 in respect of the Sheffield City Hall renovation project represent funding received from the European Single Regeneration Budget to fund the cost of professional fees during the design phase of the project, and from European Objective 1 funding to fund the building phase. The project was completed in 2005 and the fund is being amortised as the asset is depreciated.

The restricted funds of £16,405,000 in respect of EISS represents funds received from Sport England and Yorkshire Forward to aid Phoenix Sports Limited in building the EISS and a further amount received from Sport England to provide a lifecycle fund to meet the maintenance cost of the up-keep of EISS. The project to build the EISS was completed in 2003 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted funds of £68,000 relate to Olympic Legacy funding received from Public Health England on behalf of the Department of Health (DOH). The charity is part of a consortium of organisations in Sheffield that is promoting and researching the positive benefit of physical activity on health. These funds have been used to generate a positive benefit for the NHS by renovating and equipping Concord Sports Centre for use by the public for medical facilities within a building also used for physical activity. The project was completed in 2015 and the funds received for that purpose are being amortised as the asset is depreciated.

The restricted fund of £2,990,000 in respect of essential maintenance represents funds received from Sheffield City Council to aid essential maintenance work on the various properties, which are owned by Sheffield City Council and operated by the charity. The funds are being amortised either as the assets are depreciated or the cost of repairs incurred.

The restricted funds of £1,036,000 in respect of the EISS Sports Hall represents funds received from Sheffield City Council to build a sports hall at the English Institute of Sport – Sheffield for the use of a local school. Funds are being amortised as the assets are depreciated.

Included within other grants are two £5,000 Sheffield City Council East LAC fund grants and a £5,000 Sheffield City Council North LAC fund grants for projects that promote children and young people's health and wellbeing.

The useful economic life of all assets mentioned within restricted funds is in line with the duration of the respective leases pertaining to the buildings for which that work was funded. As a result of Sheffield City Council's public procurement process and in line with the lease agreements, all restricted assets, with the exception of those in Phoenix Sports Limited, are expected to transfer to the new operator and as such depreciation has been accelerated in the current year and all restricted assets are to be written down to £nil residual value by 31 December 2024.

By their nature restricted funds can only be used for the purpose they were intended and not to fund general or unrestricted activity.

**Notes to the financial statements (continued)**

**6 Net (outgoing)/incoming resources before taxation are stated after charging**

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Auditor's remuneration - Audit of these financial statements	83	99	30	47
Depreciation of owned assets	13,204	4,511	10,225	2,294
Depreciation of assets held under finance leases	195	183	195	183
Hire of assets under operating leases - other assets	126	170	126	170
Amortisation of negative goodwill	(205)	(205)	-	-
Impairment of trade receivables	(6)	27	1	1
Inventory recognised as an expense	2,542	2,028	-	-
	<u>2,542</u>	<u>2,028</u>	<u>-</u>	<u>-</u>

**7 Remuneration of trustees**

No emoluments were paid to any of the trustees during the year (2023: £nil).

No expenses were reimbursed to any trustees in respect of any expenditure made on behalf of the charity (2023: £nil).

**8 Staff numbers and costs**

The average number of persons employed by the group (including directors) during the year analysed by category, was as follows:

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Leisure	412	394	412	394
Operations and maintenance	172	159	172	159
Administration	135	131	135	131
Catering	317	281	317	281
	<u>1,036</u>	<u>965</u>	<u>1,036</u>	<u>965</u>

Staff numbers and costs include all contracted and casual staff regardless of hours worked. The number of permanent full time roles increased during the year as did the number of casual employees.

## Notes to the financial statements *(continued)*

### 8 Staff numbers and costs *(continued)*

The aggregate payroll cost of the employees employed by the group during the year was as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Wages and salaries	13,583	12,200	13,583	12,200
Social security costs	926	846	926	846
Other pension costs	706	643	706	643
Redundancy costs	1,483	27	1,483	27
	<b>16,698</b>	13,716	<b>16,698</b>	13,716
	<b>16,698</b>	13,716	<b>16,698</b>	13,716

Where required, companies within the group procure HR services from Sheffield City Trust as required to support the operations of the venues and a management fee is charged for these services. The staff numbers and costs of all contracted staff employed by Sheffield City Trust irrespective of which group company they provide services to are included in the company numbers above.

The number of employees in the group whose emoluments amounted to over £60,000 in the year was as follows:

	2024	2023
£60,001 - £70,000	1	-
£70,001 - £80,000	3	3
£80,001 - £90,000	2	2
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<b>1</b>	-
	<b>1</b>	-

The group made contributions of £61,000 (2023: £56,000) to defined benefit schemes in respect of these employees.

## Notes to the financial statements (continued)

### 9 Tax

#### *Analysis of charge in year*

	<b>2024</b>	<b>Group</b>
	<b>£000</b>	<b>2023</b>
		<b>£000</b>
<b>Current tax</b>		
Adjustments in respect of prior periods	-	(35)
	<hr/>	<hr/>
<b>Total current tax credit for the year</b>	-	(35)
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
<b>Total tax credit for the year</b>	-	(35)
	<hr/> <hr/>	<hr/> <hr/>

#### *Factors affecting the tax charge for the current year*

The current tax charge for the period is higher (2023: lower) than the standard rate of corporation tax in the United Kingdom, which, for the period ended 31 March 2024, was 19% (2023: 19%). The differences are explained below:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Net incoming resources before tax	(7,224)	2,498
	<hr/>	<hr/>
Current tax at 19% (2023: 19%)	(1,373)	475
Non deductible and non taxable items	1,127	(455)
Adjustments relating to prior periods	-	(35)
Losses utilised	(130)	(247)
Depreciation in excess of capital allowances	376	227
	<hr/>	<hr/>
<b>Total tax credit for the year</b>	-	(35)
	<hr/> <hr/>	<hr/> <hr/>

Sheffield International Venues Limited has a tax strategy of making a gift aid payment to its charitable parent, Sheffield City Trust of any taxable profits and the level of historical tax losses, and as such recognition of deferred tax movements is not required.

**Notes to the financial statements (continued)**

**10 Negative goodwill**

	<b>£000</b>
<i>Cost</i>	
At beginning and end of year	(8,741)
<i>Impairment losses/amortisation</i>	
At beginning of year	2,373
Charge for year	205
	2,578
At end of year	2,578
<i>Carrying amount</i>	
At end of year	(6,163)
	(6,368)
At beginning of year	(6,368)

As part of the transaction to take full ownership and direct operation of the EISS, the trust acquired Phoenix Sports Limited for £1 on 31 March 2011. Phoenix Sports Limited is a non-profit-distributing asset locked company.

Phoenix Sports Limited is the company which owns the 150 year lease relating to EISS.

At the date of the acquisition the net assets acquired had a book value of £nil, being the net book value of the English Institute of Sport – Sheffield building of £20m less the amounts provided by the English Sports Council to fund the construction of the building, £20m, shown as deferred income. In accordance with UK GAAP requirements regarding acquisition accounting, the fair value of the EISS building was determined at the date of acquisition as £29m. As this amount exceeded the deemed consideration paid, £20m, negative goodwill of £9m was recognised.

This goodwill is being amortised over 50 years in line with the useful economic life of the English Institute of Sport – Sheffield building and the historic grant funding which financed its construction.

**11 Intangible assets - software  
Group**

	<b>Total £000</b>
<i>Cost</i>	
At beginning of year	47
	47
At end of year	47
<i>Amortisation</i>	
At beginning of year	30
Charge for year	10
	40
At end of year	40
<i>Closing net book amount</i>	
At end of year	7
	7
At beginning of year	17

**Notes to the financial statements (continued)**

**11 Intangible assets – software (continued)**  
**Company**

	<b>Total £000</b>
<i>Cost</i>	
At beginning of year	45
At end of year	45
<i>Amortisation</i>	
At beginning of year	28
Charge for year	10
At end of year	38
<i>Closing net book amount</i>	
At end of year	7
At beginning of year	17

**12 Tangible fixed assets**

<b>Group</b>	<b>Leasehold land and buildings £000</b>	<b>Fixtures, fittings and equipment £000</b>	<b>Assets under construction £000</b>	<b>Total £000</b>
<i>Cost</i>				
At beginning of year	173,740	28,734	675	203,149
Additions	-	153	3,080	3,233
Disposals	-	(364)	-	(364)
Transfers	-	3,405	(3,405)	-
At end of year	173,740	31,928	350	206,018
<i>Depreciation</i>				
At beginning of year	32,436	21,376	-	53,812
Charge for year	7,588	5,811	-	13,399
Disposals	-	(362)	-	(362)
At end of year	40,024	26,825	-	66,849
<i>Net book value</i>				
At end of year	133,716	5,103	350	139,169
At beginning of year	141,304	7,358	675	149,337

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2023: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

Additional depreciation of £7,247,000 has been charged in the year as a result of accelerating the depreciation (see note 1 accounting policies – fixed assets and depreciation).

**Notes to the financial statements (continued)**

**12 Tangible fixed assets (continued)**

Company	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets Under Construction £000	Total £000
<i>Cost</i>				
At beginning of year	141,439	11,751	677	153,867
Additions	-	129	3,080	3,209
Disposals	-	(318)	-	(318)
Transfers	-	1,939	(1,939)	-
Group Transfers	-	-	(1,466)	(1,466)
At end of year	141,439	13,501	352	155,292
<i>Depreciation</i>				
At beginning of year	21,435	7,835	-	29,270
Charge for year	6,897	3,523	-	10,420
Disposals	-	(316)	-	(316)
At end of year	28,332	11,042	-	39,374
<i>Net book value</i>				
At end of year	113,107	2,459	352	115,918
At beginning of year	120,004	3,916	677	124,597

Within leasehold land and buildings there are assets with a book value of £108,000,000 (2023: £108,000,000) which are not being depreciated. The value of these assets will be realised in full upon exercise of the break clause contained within the related lease.

Additional depreciation of £6,970,000 has been charged in the year as a result of accelerating the depreciation (see note 1 accounting policies – fixed assets and depreciation).

The following are included in the total net book value of tangible fixed assets in respect of assets held under finance leases.

	Group	Company
	Fixtures, fittings and equipment £000	Fixtures, fittings and equipment £000
<b>2024</b>		
Net book value	120	120
Depreciation	195	195
<b>2023</b>		
Net book value	355	355
Depreciation	183	183

## Notes to the financial statements *(continued)*

### 13 Investments - Company

**Investment in  
subsidiary  
£000**

Net book value at beginning and end of year

-

On 31 March 2015 the charity forgave, by way of a capital contribution, monies owed by its subsidiary Sheffield International Venues Limited. This capital contribution gave rise to the capitalisation of the historic inter-company debtor of £7,578,000. The investment is reviewed for impairment annually, by considering the net present value of future cash flows of Sheffield International Venues Limited over a period to March 2024. The investment was fully impaired in 2019. This is reassessed annually, and the previous impairment is still deemed appropriate.

On 1 April 2019, all staff of Sheffield International Venues Limited were transferred under the provisions of TUPE to Sheffield City Trust. At the same time, the assets and liabilities of the South Yorkshire Pension Authority scheme were also transferred and as a result of this, Sheffield City Trust took on the historic pension liability by way of a capital contribution. The investment was fully impaired in 2020. This is reassessed annually, and the previous impairment is still deemed appropriate.

The charity holds investments of £100 relating to shares held in subsidiaries.

The entities in which the charity holds beneficial interests are as follows:

	Company number	Principal activity	Country of registration	Percentage of ordinary shares held
<i>Subsidiary undertakings</i>				
Sheffield International Venues Limited	02226575	Management of sporting and entertainment facilities and provision of catering and conferencing services	England and Wales	100
7 Hills Leisure Trust	07923816	Management of sporting and recreational facilities	England and Wales	-*
7 Hills Commercial Limited	03330129	Provision of catering services	England and Wales	100**
Phoenix Sports Limited	03487652	Operation and strategic direction of English Institute of Sport- Sheffield (EISS)	England and Wales	-*
SIV Enterprises Limited	06385377	Management of sporting and recreational facilities, a catering facility and the provision of consultancy services	England and Wales	100***

**Notes to the financial statements (continued)**

**13 Investments - Company (continued)**

In the opinion of the directors the investments in and amounts due from the charity's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

\*In respect of Phoenix Sports Limited and 7 Hills Leisure Trust, whilst their corporate structures are limited by guarantee they are treated as investments by the group on the basis of control.

\*\*7 Hills Commercial is held indirectly by 7 Hills Leisure Trust

\*\*\*SIV Enterprises is held indirectly by Sheffield International Venues Limited

On 29 March 2023, 7 Hills Leisure Trust, 7 Hills Commercial Limited and SIV Enterprises Limited entered into Members Voluntary Liquidations. The registered office for these entities is 4<sup>th</sup> Floor Fountain Precinct, Leopold Street, Sheffield, S1 2JA.

The registered office for Sheffield International Venues Limited and Phoenix Sports Limited is English Institute of Sport – Sheffield, Coleridge Road, Sheffield S9 5DA.

**14 Stocks**

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Goods for resale	257	233	-	-

**15 Debtors**

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	837	883	329	566
Other debtors	1,490	957	84	3
Prepayments and accrued income	33,584	33,326	33,373	33,155
Amounts owed by group undertakings	-	-	3,842	2,730
Sheffield City Council	2,130	-	2,130	-
	<u>38,041</u>	<u>35,166</u>	<u>39,758</u>	<u>36,454</u>

Prepayments and accrued income includes £32,490,000 (2023: £32,490,000) of grant income due from Sheffield City Council following the disposal of Don Valley Stadium and the restructuring of the finance leasing arrangements. This debtor is expected to be received at the date at which the charity transfers its venues to Sheffield City Council, expected to be on or around 2 January 2025.

The carrying value of trade receivables is considered a reasonable approximation of fair value.

## Notes to the financial statements *(continued)*

### 16 Cash at bank and in hand

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Cash at bank and in hand	7,549	6,013	2,904	3,000
Third party ticket monies	11,610	9,036	-	-
	<u>19,159</u>	<u>15,049</u>	<u>2,904</u>	<u>3,000</u>

Third party ticket monies represent amounts held on behalf of third party event promoters for tickets sold, that will be paid to the promoter when the event has taken place.

### 17 Creditors: amounts falling due within one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Bank loans (see note 18)	59	200	59	200
Obligations under finance leases (see note 18)	51	199	51	199
Bonds	-	17,604	-	17,604
Trade creditors	1,739	1,809	1,731	1,791
Other creditors including taxation and social security	13,971	11,293	995	1,251
Accruals and deferred income	3,462	2,911	2,469	2,199
Amounts owed to group undertakings	-	-	1,489	2,145
Other loans	3,513	-	3,513	-
Sheffield City Council	140,425	-	140,425	-
	<u>163,220</u>	<u>34,016</u>	<u>150,732</u>	<u>25,389</u>

Included within other creditors are amounts due to third party event promoters of £12,011,000 (2023: £9,094,000).

Included in the group accruals and deferred income is deferred income of £1,395,000 (2023: £1,182,000) which relates to memberships and events.

Amounts owed to group undertakings are interest free and repayable on demand.

The carrying amount of trade and other payables approximates to their fair value.

The finance lease liability is secured against the assets for which the finance is provided.

### 18 Creditors: amounts falling due after more than one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Bank loans	-	59	-	59
Other loans	-	3,513	-	3,513
Obligations under finance leases	-	51	-	51
Bonds	-	-	-	-
Sheffield City Council	-	122,817	-	122,817
	<u>-</u>	<u>126,440</u>	<u>-</u>	<u>126,440</u>

The group has two bank loans to fund the purchase of fixed assets at a rate of 4.5% and 3.87% with an outstanding balance of £56,000 and £3,000 respectively, at the year end.

During 2014 the charity took a five year loan of £3,500,000 from Sheffield City Council for the refurbishment of the Utilita Arena Sheffield at an interest rate, per annum, of 2.0% above the Bank of England's base rate and during 2015 the charity took a five year loan of £1,750,000 from Sheffield City Council for the refurbishment of Ponds Forge International Sports Centre at an interest rate, per annum, of 2.0% above the Bank of England's base rate.

## Notes to the financial statements *(continued)*

### 18 Creditors: amounts falling due after more than one year *(continued)*

These loans were consolidated into a combined loan of £1,575,000 in January 2019 over five years at a rate of 2% above the Bank of England's base rate, with a balance at 31 March 2024 of £1,313,000. No capital repayments are now required on this loan from Sheffield City Council until December 2024.

In 2020, the charity received a five-year loan of £1,000,000 from Sheffield City Council to assist with cashflow at an interest rate of 2%, above the Bank of England's base rate and during 2021 the charity received a further 4 year loan of £1,200,000 from Sheffield City Council to assist with cashflow at an interest rate of 2% above the Bank of England's base rate. No capital repayments are now required on these loans from Sheffield City Council until December 2024.

Under the terms of the Shortfall Funding Agreement between the charity and Sheffield City Council, the council made payments bi-annually sufficient in value to enable the charity to meet its bond repayment obligations. These receipts are repayable to Sheffield City Council following exercise of the termination clause in the Shortfall Funding Agreement, and on this basis termination and repayment are to have effect at the end of December 2024. During the financial year the bond liability was settled in full. In 2023, the fair value was considered to be £17,608,000 which reflected the unit value of the bond multiplied by the last market traded value.

The maturity of the bank and other loans is due as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Within one year	3,572	200	3,572	200
In the second to fifth years	-	3,572	-	3,572
	<u>3,572</u>	<u>3,772</u>	<u>3,572</u>	<u>3,772</u>

On 1 March 2000 the company issued £140,425,000 of bonds at an issue premium of 0.719%.

The bonds attracted interest payments of 6.25% paid bi-annually. The bonds were repayable at dates between 2014 and 2024. They were guaranteed by Sheffield City Council.

The bonds were stated net of unamortised issue costs of £873,000 and gross of the unamortised issue premium of £795,000. The bonds have now been settled in full.

The maturities of the bonds are as follows:	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Within one year	-	17,604	-	17,604
	<u>-</u>	<u>17,604</u>	<u>-</u>	<u>17,604</u>

The maturities of obligations under the leases are as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Within one year	51	199	51	199
In the second to fifth years	-	51	-	51
	<u>51</u>	<u>250</u>	<u>51</u>	<u>250</u>

**Notes to the financial statements (continued)**

**19 Provisions for liabilities**

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Dilapidation provision	150	115	150	115
Redundancy Provision	1,461	-	1,461	-
	<u>1,611</u>	<u>115</u>	<u>1,611</u>	<u>115</u>

***Dilapidation provision***

Provisions of £100,000 and £50,000 have been included for the cost of repair work required to two of the group's leased properties, in accordance with the terms of the leases, that are due to come to an end on 16 December 2024 and 31 December 2024 respectively.

***Redundancy provision***

A provision of £1,461,000 has been included for the cost of redundancies which will be made following the transfer of venues to new operators in January 2025.

***Deferred tax***

	Accelerated tax depreciation £000	Other timing differences £000	2024 Total £000	2023 Total £000
At 1 April 2022	137	(1,161)	(1,024)	(451)
Movement in year	(105)	822	717	(573)
	<u>32</u>	<u>(339)</u>	<u>(307)</u>	<u>(1,024)</u>
At 31 March 2023 & 1 April 2023	32	(339)	(307)	(1,024)
Movement in year	(91)	166	75	717
	<u>(59)</u>	<u>(173)</u>	<u>(232)</u>	<u>(307)</u>
	<u>(59)</u>	<u>(173)</u>	<u>(232)</u>	<u>(307)</u>
Recognised	-	-	-	-
Unrecognised	(59)	(173)	(232)	(307)
	<u>(59)</u>	<u>(173)</u>	<u>(232)</u>	<u>(307)</u>

The deferred tax asset has not been recognised on the grounds that there is insufficient evidence that the asset will be recovered.

**Notes to the financial statements (continued)**

**20 Analysis of group net assets between funds**

	2024			2023		
	Unrestricted (designated and general) £000	Restricted £000	Total £000	Unrestricted (designated and general) £000	Restricted £000	Total £000
Tangible fixed assets	114,987	24,182	139,169	118,491	30,846	149,337
Intangible Assets	7	-	7	17	-	17
Net current (liabilities)/assets	(105,763)	-	(105,763)	16,432	-	16,432
Liabilities falling due after more than one year	-	-	-	(126,440)	-	(126,440)
Provision for liabilities and charges	(1,611)	-	(1,611)	(115)	-	(115)
Negative goodwill	(6,163)	-	(6,163)	(6,368)	-	(6,368)
<b>Net assets as at 31 March 2024</b>	<b>1,457</b>	<b>24,182</b>	<b>25,639</b>	<b>2,017</b>	<b>30,846</b>	<b>32,863</b>

**21 Commitments**

Annual commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Operating leases which expire:				
Within one year	38	119	38	119
In the second to fifth years inclusive	-	272	-	272
More than five years	-	428	-	428
	<b>38</b>	<b>819</b>	<b>38</b>	<b>819</b>

At 31 March 2024, the group had commitments to purchase fixed assets amounting to £39,000. This expenditure will be funded by either the essential maintenance grant from Sheffield City Council or the EISS lifecycle fund held by Phoenix Sports Limited.

**22 Pension scheme**

**Defined contribution pension scheme – Group and Company**

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £382,000 (2023: £360,000).

Contributions amounting to £45,000 (2023: £39,000) were payable to the scheme and are included in creditors.

**Defined contribution pension scheme – Group and Company**

The group contributed to a defined benefit pension scheme operated by South Yorkshire Pension Authority. On 31 March 2022, the historic assets and liabilities of the groups South Yorkshire Pension Scheme were subsumed into the Sheffield City Council South Yorkshire Pension scheme. The group was discharged of its net liability on this date. The Trust has no liability to the plan for other entities' obligations. Contributions to the defined benefit pension scheme are included in the profit and loss account.

The group expects to contribute at a rate of 17.5% in respect of active members of the defined benefit plan in the next financial year, the assets and liabilities of which have been subsumed within the Sheffield City Council South Yorkshire pension Authority Scheme.

The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £316,000 (2023: £284,000).

Contributions amounting to £44,000 (2023: £42,000) were payable to the scheme and are included in creditors.

## Notes to the financial statements *(continued)*

### 23 Directors and key management

Remuneration amounting to £522,000 (2023: £489,000) was paid to directors and other key management during the year. In addition, the charity made contributions of £61,000 (2023: £56,000) to defined benefit schemes in respect of the directors and other key management.

### 24 Accounting estimates and judgements

In preparing these financial statements, the trustees have had to make the following judgements:

Determine whether there are indicators of impairment of the charity's non-current assets. The investments were fully impaired in the previous years and there is no indication in the current financial year that would result in a reversal of this impairment.

Other key sources of estimation uncertainty are:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 25 Post balance sheet events

After the year end, the charity gave notice in respect of its operation and management of Sinfin Golf Course and Tapton Golf Course and the operation and management of these venues was transferred to a new operator on the 31 July 2024 and 16 December 2024 respectively.

On 14 September 2024, 7 Hills Commercial Limited was dissolved.

After the year end, following Sheffield City Council's tender proceeds, the Council announced new operators for the entertainment and sport and leisure venues. For further detail refer to note 1.