

**TRAFFORD COMMUNITY LEISURE
TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
for the year ended
31st March 2015**

**Company Registration Number 4656262
Charity Number 1105629**

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Financial Statements

Year ended 31st March 2015

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TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Members of the Board and Professional Advisers

The Board of Trustees

Mr. Peter Martin CEng, FIET, FIM, FIMS - (Chairman)
Mr. Iftikhar Awan
Mrs. Rowena Birch
Mr. Jonathan Coupe – (Council Nominee)
Mr. Jim Cumbes
Mr. Brian Degruchy
Mr. Ian Goulty
Mr. Gary Hebblewhite
Mr. Tarun Kapur CBE
Mr. Rob Moore
Mr. Steve Pullen MBE
Mr. Mike Whetton - (Council Nominee)

Chief Executive

Mr B Jones

Company Secretary

Mrs P J Williamson

Registered office

Marsland House
Marsland Road
Sale
Manchester
M33 3AQ

Auditor

Mitchell Charlesworth LLP
Chartered Accountants
Statutory Auditor
Centurion House
129 Deansgate
Manchester
M3 3WR

Bankers

Co-operative Bank
1 Balloon Street
Manchester
M60 4EP

Solicitors

DWF LLP
1 Scott Place
2 Hardman Street
Manchester,
M2 3AA

TRAFFORD COMMUNITY LEISURE TRUST

Chairman's Statement

Year ended 31st March 2015

I write this introduction to the twelfth Trustees Annual Report and Financial Statements with a mixture of sadness and pride. Sadness, that on 30th September 2015 the Agreement for Trafford Community Leisure Trust, to provide leisure services to the people of Trafford will come to an end. Pride at what Trafford Community Leisure Trust, the Board of Trustees, the Executive Team, the staff, and our many partners, have achieved over the past 12 years. Increasing participation from 800,000 visits in the first year to approximately 2.5 million in the last few years has helped contribute to making Trafford one of the most active Boroughs in England. Total attendances during the Trust's tenure have now exceeded 25 million and we can proudly acclaim not only to have achieved one of our seven strategic aims of 'Increasing Participation', but we have also completed the Trust's Mission of '*More People, More Active, More Often*'.

Despite the threat to our long term future, endured over the past couple of years, our Management and Staff have continued with '*business as normal*', and I am delighted to report that 2014-15 was another good year. The Trust exceeded the financial targets and achieved the majority of our key performance indicators. Whilst there was a downturn of 3% in income, caused in the main from the partial loss of funding from Trafford Council, there was also significant competition on health and fitness, with four budget gyms opening during the period. However, there were some excellent financial performances, particularly, with Swim Well, Gymnastics & Trampoline Trafford and Centres such as, George H Carnall, Stretford Sports Village (Chester) and Urmston all growing their income. Despite the cut in funding from the Council, the Trust continued to deliver normal services and absorbed the reduction in income through efficiencies and tight expenditure control.

Attendance in 2014-15 was 3% down on the previous year due to a significant reduction in the number of schools using our Sports Coaching Service, but encouragingly, attendance across all of the Leisure Centres exceeded 2 million for the first time. The success of the Trust in 2014-15, and all of our previous years for that matter, is not measured in financial performance or the number of attendances but in the difference the Trust has made to people's lives. Whether it is through subsidised visits utilizing the Active Trafford scheme, teaching children a life-long skill such as swimming; or encouraging somebody to get active through our various initiatives such as 'Healthy Hips and Hearts', Physical Activity Referral Programme or Outdoor Health Programme, the Trust has ensured that there is something for everyone and affordable for all.

The key to our success has been the staff. Once again this year they have excelled and kept the business going for the benefit of the community, at a time when they did not know what the future held. I am confident that they will continue to do so when they transfer to a new provider in October 2015.

The 30th September will be a sad day for Trafford Community Leisure Trust, but as a small charity we were unable to provide the £20 - £25million capital funding required to complete outstanding Council maintenance liabilities, invest in the development of the existing Centres and pay for the replacement of Altrincham Leisure Centre.

To conclude I would like to thank my fellow Trustees and the staff for their contributions not just over the past 12 months but the past 12 years. I would also like to thank all of our partner organisations and the community of Trafford without whom our success would not be possible. Whilst Trafford Community Leisure Trust may not have a future in the delivery of leisure services in Trafford, we have enjoyed the past 12 years and we hope we have served you well. Best wishes.

Peter Martin
Chair

TRAFFORD COMMUNITY LEISURE TRUST

Trustee's Annual Report

Year ended 31st March 2015

The Trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st March 2015.

Legal and Administrative

The legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements and the Memorandum and Articles of Association.

The Trustees

The Trustees who served the charity during the period were as follows:

Mr. Peter Martin CEng, FIET, FIM, FIMS - (Chairman)
Mr. Iftikhar Awan
Mrs. Rowena Birch
Mr. Jim Cumbes
Mr. Mike Dean BEng (Hons) CEng WHSCH *resigned 18/9/2014*
Mr. Brian Degruchy
Mr. Ian Goulty
Mr. Gary Hebblewhite
Mr. Tarun Kapur CBE
Mr. Rob Moore
Mr. Steve Pullen MBE
Mr. John Reilly – (Council Nominee) *resigned 15/5/2014*
Mr. Mike Whetton - (Council Nominee)
Mr. Jonathon Coupe – (Council Nominee) *appointed 22/1/2015*

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Trafford Community Leisure Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 4 February 2003 as amended by special resolution dated 20 May 2004. It is a registered charity with the Charity Commission. The Trustees of the Company have undertaken to contribute to the assets of the Company, in the event of the same being wound up whilst being a member, or within one year after ceasing to be a member. For payments of the debts and liabilities of the Company contracted before ceasing to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

Appointment of Trustees

The Board must consist of at least eleven and not more than fifteen individuals.

Two of the Board of Trustees must be nominated by the Local Authority. The Local Authority Trustees may be removed and replaced by the Authority at any time provided written notice is given to the Secretary.

The Trustees have the power at any time to appoint any person to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees but so that the total number of Trustees shall not at any time exceed the maximum number fixed in accordance with the Articles of Association. Any Trustee so appointed shall hold office until the next following annual general meeting and shall then be eligible for re-election.

TRAFFORD COMMUNITY LEISURE TRUST

Trustee's Annual Report

Year ended 31st March 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Trustee induction and training

The Trust is essentially one local to Trafford providing management of community sport and leisure. All of the Trustees are drawn from the immediate Trafford area and most are users of the facilities. They have a grasp, therefore, of service requirements and a feel for the ethos of Trafford Community Leisure Trust.

New Trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Memorandum and Articles of Association sets out the process for decision-making, Management Board Meetings and election of Trustees. The Management Board is required to meet at least four times a year and in 2014/15 the Management Board met on 6 occasions. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charitable company.

Related parties

Trafford Council provides support funding towards the cost of the operation of the leisure and golf facilities to ensure that all sections of the community can access them and also contributes towards the cost of Sports Development. The Council nominates two Trustees to the Board; a summary of transactions with the organisation is set out in Note 21 to the financial statements.

Risk management

It is acknowledged by the Trustees that Risk Management is one of their key responsibilities. The Trustees have acted prudently in considering the risks that the Trust is exposed to and where necessary have implemented systems to mitigate or transfer those potential risks. The Trustees are given regular reports on the financial performance of the Trust to enable them to monitor the Trust's position.

Disabled employees

Reasonable adaptations will be made wherever practicable to enable employees and/or applicants for jobs who have disabilities to make full use of their ability in the delivery of the Trust's service.

Wherever possible, the Trust will retain the services of employees who are, or become disabled and, where necessary, provide retraining and redeployment. Disabled employees will be given equal opportunities with other employees for training, career development and promotion.

Objectives and Activities

The principal activities of the Trust are the provision of recreation and leisure time activities for the community and visitors to Trafford.

During the year, the Trust provided recreation and leisure time activities at the following facilities: Altrincham Golf Course, Altrincham Leisure Centre, Altrincham Grammar School, Flixton House, George H Carnall Leisure Centre, Old Trafford Sports Barn, Partington Leisure Centre, Sale Leisure Centre, Stretford Sports Village (Chester and Talbot Sites), Urmston Leisure Centre and William Wroe Golf Course.

There have been no material changes during the last year in the policies and objectives of the Trust.

TRAFFORD COMMUNITY LEISURE TRUST

Trustee's Annual Report

Year ended 31st March 2015

Public Benefit Statement

The Trustees are clear that the aims of Trafford Community Leisure Trust are carried out for public benefit.

The aims of the Trust, as detailed within the Trust's Memorandum and Articles of Association, are:

“to provide or assist in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare facilities, such facilities to be available to the public at large, save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services, and/or, the promotion and preservation of good health through community participation in healthy recreation”.

In order to simplify the aims of the Trust for both staff and customers the Mission Statement ‘More People, More Active, More Often’ was developed to encompass all of what the Trust is about. Despite a significant reduction in the numbers attending our Schools Coaching Programme, total attendances at all of our facilities and activities reached nearly 2.5 million again with encouragingly attendances at Leisure Centres exceeding 2 million for the first time ever. Since the Trust started trading in April 2003 over 25 million attendances have been achieved. The results of the Active People surveys during the year identified Trafford as one of the least inactive Boroughs in the country with participation levels being 42% for those participating in sport or physical activity once per week.

Encouraging an increase in participation in physical activity amongst key target groups and under-represented sections of the community has been an objective of the Trust since it was formed. During 2014/15 approximately 180,000 visits were made utilizing the Trust's ‘Active Trafford’ concessionary scheme, which means that since the concessionary scheme was introduced in 2005 over 2 million subsidised visits have been accessed.

The above are just two examples which show that the Trust continues to fulfill its objective of ensuring that sport and physical activity are accessible to all sections of the community.

In addition to those highlighted in Achievements and Performance, detailed below are a few examples where the public have benefited from the activities and initiatives of Trafford Community Leisure Trust. These include:

Gymnastics Trafford

Gymnastics Trafford, which incorporates Trampolining Trafford, has had its most successful year since its inauguration in 2009 with approximately 1,700 children a week taking part in classes across five Centres. During the year Gymfants and Gymstars sessions for the Under 5 age group were introduced at Stretford Sports Village and they have proved extremely popular with full classes.

Sportivate and Satellite Clubs

Sportivate is aimed at those classed as being “non sporty” and offers them access to subsidised or free start up sessions. At the end of the 6 or 8 weeks participants then move onto long term activity opportunities. Due to the success of the National programme, access to Sportivate funding has been extended by 2 years until 2017.

The Satellite Clubs programme aims to link every Secondary School across the country with a Satellite Community Sports Club. The programme aims to reduce the drop off in sports participation in 11 – 25 year olds. This fantastic investment in young people's community sport opportunities has seen over 1,000 individual young people attending Sportivate sessions or Satellite Clubs in Trafford, 1,000 “non sporty” young people who may not previously have had the opportunity to access sport due to a variety of different barriers.

Healthy Hips and Hearts

The Trust has been operating the Healthy Hips and Heart programme since June 2011 during which time it has increased attendances from just a handful a week to nearly 500 on a good week. There are many people benefiting from the Healthy Hips and Heart session being held in their local community by volunteers and trained staff from the Trust. These sessions have evolved during the year and now incorporate gentle sports such as boccia, curling and bowling. These sessions are essential to prevent isolation, aid fall prevention and to reduce the number of hospital admissions for the elderly. This project proves age is no boundary to physical activity.

TRAFFORD COMMUNITY LEISURE TRUST

Trustee's Annual Report

Year ended 31st March 2015

Public Benefit Statement (continued)

Outdoor Health

As an entry to physical activity the Trust has a comprehensive programme of Health walks, Nordic walks, running groups, buggy walks and cycling sessions. These all take place out in the community, taking in the parks and open spaces of Trafford. They are a great opportunity to exercise out in the fresh air no matter what the individual's level of fitness is.

Investment powers and policy

The Trust has the ability to invest any monies not immediately required for its objects in or upon such investments, securities or property as seen fit by the Trustees.

Reserves Policy Statement

The Charity Commission uses the term reserves to describe that part of a charity's income funds that is freely available for its general (unrestricted) purposes. "Reserves" are therefore the resources the charity has or can make available to spend, for any or all of the charity's purposes, once it has met its commitments and covered its other planned expenditure. More specifically they define "reserves" as income which becomes available to the charity and is to be expended at the trustees' discretion in furtherance of any of the charity's objects (sometimes referred to as "general purpose" income); but which is not yet spent, committed or designated. This definition of reserves might more commonly be referred to as free, general or unrestricted reserves.

The total value of Free Reserves at 31 March 2015, as defined above, and including the £500,000 already designated was £1,421,501 (2014: £1,278,166).

In reviewing their reserves policy in the past, the Trustees have previously resolved to ensure that the Trust is able to continue to provide all operations and services for a period of at least twelve months, in the event of a significant proportion of our income not being realised. In considering the risk factors with potential to significantly impact detrimentally on the Trust's anticipated income, the Trustees had concluded that a level of Free Reserves of no less than £500,000 would provide them with the safeguards they need to be able to guarantee continuity of operation during periods of instability, uncertainty or change and also ensure that they continue to be in a position to respond to development opportunities if and when they arose.

Over the past three years, the Trust has been working closely with Trafford Council to find a long term, sustainable solution to the provision of Leisure to the whole community, against a backdrop of a planned reduction in revenue funding from £1.1 million in 2013/14 to zero in 2016/17. As it is now clear that the Trust is unable to provide the level of capital funding required to complete the outstanding Council maintenance liabilities, to invest in the development of the existing Centres and to replace Altrincham Leisure Centre, whilst continuing to operate the Centres with no subsidy, the Trust's contract with the Council will terminate on 30 September 2015 and the Trustees must now consider how they can best use the Free Reserves they have built up over the past 12 years, in fulfilment of their charitable objectives and for the benefit of the Community of Trafford.

The Trustees have resolved to hold back on making any firm decisions about how these reserves will be spent until there is more clarity on the Council's plans for the future leisure provision in Trafford and the identity of the incoming provider. At that point the Trustees will consider how best this money can be used and what the most fitting and enduring legacy of the Trust should be for the people of Trafford.

Auditor

A resolution for the re-appointment of Mitchell Charlesworth LLP will be proposed at the forthcoming Annual General Meeting.

TRAFFORD COMMUNITY LEISURE TRUST

Trustee's Annual Report

Year ended 31st March 2015

Statement of Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

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

In so far as the trustees are aware:

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

STRATEGIC REPORT

Achievements and performance

The Trustees' Annual Report Year Ended 31 March 2014 identified that the focus for the immediate future was negotiating with Trafford Council regarding the long term provision of community leisure in Trafford. Sadly, as has already been indicated within the Chairman's Statement, Trafford Council decided to terminate the Agreement between them and the Trust and this will come to an end on 30th September 2015. The Officers and Directors of the Trust put a great deal of time, energy and financial resources into exploring all possible alternatives but the Trust was unable to provide the £20 - £25 million of capital required.

Despite the focus of the Executive Team in particular being on trying to reach a long term agreement with Trafford Council, the Trust continued to make significant progress against the seven strategic aims identified within the Trust's Mission and Vision 2020. Detailed below are some examples of some of the achievements over the past 12 months:

- **Increasing Participation** Whilst there was a downturn in total attendances across all of our activities and facilities, which was mainly due to a significant reduction in the number of schools using our Sports Coaching Programme, annual attendances at the Leisure Centres exceeded 2 million for the first time. The key Swim Well and Gymnastics Trafford brands continued to grow, but there was a reduction in Zest Gym attendances due to the influx of four new budget gyms into the Borough

Total attendances at the Trust have now exceeded 25 million.

TRAFFORD COMMUNITY LEISURE TRUST

Trustee's Annual Report

Year ended 31st March 2015

STRATEGIC REPORT

Achievements and Performance (continued)

- Improving our Service
Continuing on with our aspiration of working towards delivering a 'first class' standard of service, there is no doubt we have had some significant challenges this year! This is recognised with mixed scores in the Annual Customer Survey, particularly around cleanliness and presentation of facilities. We have now contracted Trafford Housing Trust to deal with all of our reactive maintenance work and in the short space of time they have been undertaking the work, both the speed and quality of repairs has improved significantly.

During its existence the Trust has invested more than £5million into facility, equipment and improvements. The investment has also been the catalyst for other major investment into leisure in the Borough and during the past 12 years more than £20million has been invested in community leisure in the Borough.

- Developing Ourselves
We pride ourselves on the First Class skills and the PRO behaviours of our team. We invest in people to ensure that they not only meet, but exceed, the standards set out by our governing bodies and that each person is enabled to blossom and grow in confidence. The qualifications and training we provide to our staff makes a real difference to our customers. First Aid training is an area we invest in heavily, with over 60 members of our team qualifying in Emergency First Aid at Work qualifications in the past year. Our pools are lifeguarded by highly professional staff that hold Royal Life Saving Society NPLQ qualifications. This year 76 lifeguards have re-qualified and 58 new lifeguards have obtained the qualification.

Since the Trust began offering training courses to our customers in 2008, nearly 10,000 people have improved their knowledge, skills or qualifications by attending training courses hosted by the Trust.

- Manage our Environment
Facility refurbishments took place at Altrincham Leisure Centre, Sale Leisure Centre, both golf courses, Partington Sports Village and Urmston Leisure Centre. The Trust has always taken its environmental responsibilities seriously and as part of our commitment to improving the environment, and following a successful trial at Sale Leisure Centre, we have installed salt chlorination systems in all of the swimming pools we manage, replacing the use of chemicals and improving the well-being of our staff and customers.

During the past 12 years the Trust has achieved many accolades from many organisations including Quest, CIPFA, Amateur Swimming Association, Barclays Spaces for Sport, National Lottery, British Gymnastics Association, and Royal Life Saving Society, to name but a few.

- Develop our Business
Taking what we know best and using this to benefit others, Trafford Training has gone from strength to strength over the past 12 months. During 2014-15 over 1,000 "non-sporty" young people attended Sportivate or Satellite Club sessions, a Sport England programme that aims to reduce the drop off in sports participation of 11-25 year olds. Further funding has been received to extend the programme to 2017 which will transfer to the new organisation in October 2015.

Since its inception in 2003 Trafford Community Leisure Trust developed into a business with a turnover of approximately £9 million that employs nearly 450 people. The Trust currently operates out of 12 facilities as well as delivery community activities across the Borough.

TRAFFORD COMMUNITY LEISURE TRUST

Trustee's Annual Report

Year ended 31st March 2015

STRATEGIC REPORT

Achievements and Performance (continued)

- Increase Awareness Of the Trust
Awareness of the Trust grows every year, with the Trust and its facilities and activities continuing to receive local, regional and national media coverage. In 2014 Old Trafford Sports Barn was chosen to host one of the Barclays Spaces for Sport 10th year anniversary celebrations, when Peter Schmeichel was guest of honour. Back in 2006, the Sports Barn was Barclays Spaces for Sport 100th project and the then Prime Minister Tony Blair opened the facility.

During the past 12 years, as well as the national and international media interest we have received, particularly during London 2012 Olympic year, we have also received visitors from around the world including: Brazil, Spain, Russia, Belize, and Dubai .

Financial Review

As a result of the transfer of activities to a new Community Interest Company on 1 October 2015, several significant adjustments have, after discussions with our Auditors, been reflected in these accounts. These include an asset impairment adjustment of £742,893. The Trustees have carried out an impairment review of the value of fixed assets after the year end. An agreement has been made to gift all of the fixed assets owned by the Trust to a new Community Interest Company on 1 October 2015 at a value of £nil. The netbook value above represents a value at the year end which, after depreciation in the period to 30 September 2015, will result in a net book value of £nil on transfer.

The effect of this adjustment on the Statement of Financial Activities is to result in an unrestricted operational deficit for the year of £529,758, however excluding this adjustment the Trust made an unrestricted operational surplus for the year, before fund transfers and other recognised gains and losses of £213,135, up slightly on last year's result. This is an excellent result given that we have seen our operational income drop from £7,934,926 in 2013/14 to £7,814,264 in 2014/15 and have also had a reduction in our grant funding from Trafford Council of £200,000. The main pressures on income during the year have come from the ever increasing competition in the Health and Fitness market, and from a contraction of our School Coaching Programme, also due to competition from new providers. On the positive side, however, income from our Swimwell and School Swimming Programmes has continued to go from strength to strength as have the Gymnastics and Trampoline Programmes, demonstrating the strength we draw from being an all- round provider of sport and leisure activities for all ages.

Against this background of reducing income, this surplus has been achieved through forward planning at a strategic level by the Executive and Senior Leadership Team and by responsible budget control of expenditure by all of our managers. Overall unrestricted expenditure in the year has been reduced by some £221,000 from last year, with savings being made primarily on staffing and overhead costs.

Notwithstanding these pressures, the Trust has continued to invest for the future, both through improvement to our facilities, investment in our staff and advances in new technology. Surpluses achieved in previous years have been designated and used for the specific purposes of minor works, repairs and renewals expenditure and IT Development, with a total of £118,802 having been spent in the course of the year. The Trust has also continued to invest in our People, supporting Learning and Development and the wellbeing of all of our staff teams, recognising that in order to deliver a First Class Service we need First Class People.

A detailed statement of our Financial Activities can be found on pages 33 and 34 of this document. This itemises the reduction in income from Health and Fitness, Memberships and Dryside, but also shows that Wetside, and Children's Activities have continued to grow. The environment for golf continues to be a difficult one, and we have seen a small drop in Green Fee Income this year, but we are confident that the new club structure which has been introduced from April 2015 will mean that we can continue to offer attractive, affordable, accessible golf opportunities to all sections of the community, and encourage more people to take up and participate in golf.

TRAFFORD COMMUNITY LEISURE TRUST

Trustee's Annual Report

Year ended 31st March 2015

Financial Review (continued)

In respect of expenditure, as reported above, good planned control of costs and some reductions in utility bills over the milder winter has meant that we have been able to offset our income drop. Total unrecoverable VAT of £328,771 is reported for the year in these statements, which is down on the previous year as a result of the reduction in related expenditure, however our VAT recovery rate continues to fall as the respective percentages of our standard rated and exempt income shift due to the reduction in grant funding. The average recovery rate, calculated using our partial exemption method, has now dropped to around 11% of the total VAT we pay.

It has been a steady year for our investments, which have seen an increase of £38,560 (4.7%) in their market value whilst generating an income yield of £29,362 (3.6%). Whilst bank interest rates have remained low, the Trustees have continued to balance the need to have accessible short term funds available to manage our cashflow and fund developments, whilst at the same time trying to maximise interest receivable and so actual bank interest received in the year has remained quite low, at around £7,500. The Investment Committee approved a new treasury Management Policy in July 2013 and has continued to monitor both our short and longer term investments and will be working with Brewin Dolphin in the coming months to review the Investment Policy appropriate to the Trust, following the cessation of the contract with the Council.

The other significant adjustment made in these accounts in the light of the transfer of the business to the new CIC on 1 October is the settlement of the Trust's liability under the Defined benefit pension scheme, which will now revert to Trafford Council .

Detailed statements of the Trust's financial activities can be found in pages 14-32 of this report.

Principal Risks and Uncertainties and Plans For Future Periods

Last year the Trust identified the principal risk and uncertainty being the need to find a long term solution to the provision of leisure in Trafford.

The challenge of accommodating the withdrawal of revenue support from the Council was met during 2014-15 with the Trust accommodating a reduction of £200,000 during the year and planning for a further reduction of £450,000 on 1st April 2015. The remaining balance of £450,000 will be removed on 1st April 2016. There was no impact or reduction in service during 2014-15 but some minor changes were made to the Trust's Active Trafford scheme on 1st April 2015 to help accommodate the reduction planned for this date. Fundamentally there has been limited impact on the customers despite the significant reduction in revenue support and the Trust was confident that it would have been able to accommodate the reduction to zero funding, planned for 1st April 2016.

However, the main challenge wasn't the reduction in revenue funding but the significant backlog maintenance liability in respect of the condition of the Assets from which we operate, which are currently owned by the Council and leased to the Trust on a "peppercorn" basis. Unfortunately, despite making progress to find a legal vehicle whereby the assets could transfer to the Trust for the long term, the Council were not willing or able to fully meet the outstanding backlog maintenance liability and as well as asking the Trust to pick up the majority of these costs, they also asked the Trust to pick up the costs of replacing Altrincham Leisure Centre. Unfortunately, despite the Trust's best efforts, we were unable to raise the level of capital funding required.

The Council gave the Trust 12 months' notice in March 2014 to terminate the Agreements between the Council and the Trust. In order to ensure that neither the customer nor existing staff were impacted, in March 2015 the Trust agreed to a 6 months extension to provide the Council with time to seek an alternative provider. The Agreement between Trafford Council and Trafford Community Leisure Trust will therefore terminate on 30th September 2015.

The Trustees have agreed that Trafford Community Leisure Trust is not in a position to provide an alternative service and will therefore cease operating in the way it has over the past 12 years. The Trustees will take time to review the gaps and identify where the need is greatest in utilizing the reserves it has generated to ensure the fulfilment of Trafford Community Leisure Trust's objectives.

TRAFFORD COMMUNITY LEISURE TRUST

Trustee's Annual Report

Year ended 31st March 2015

The Annual Report and Strategic Report were approved by the Trustees on 17 September 2015.

Registered office:
Marsland House
Marsland Road
Sale
Manchester
M33 3AQ

Signed on behalf of the Trustees

F A P Martin
Chairman

Mitchell Charlesworth LLP

Chartered Accountants

Centurion House, 129 Deansgate, Manchester, M3 3WR

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Members of Trafford Community Leisure Trust

Year ended 31st March 2015

We have audited the financial statements on pages 14 to 32 which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. The financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Mitchell Charlesworth LLP

Chartered Accountants
Centurion House, 129 Deansgate, Manchester, M3 3WR

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Members of
Trafford Community Leisure Trust

Year ended 31st March 2015

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Centurion House
129 Deansgate
Manchester
M3 3WR

ALISON BUCKLEY FCA (Senior Statutory Auditor)
For and on behalf of
MITCHELL CHARLESWORTH LLP
Chartered Accountants
Statutory Auditor

**TRAFFORD COMMUNITY LEISURE TRUST
COMPANY LIMITED BY GUARANTEE**

Statement of Financial Activities (Incorporating the Income and Expenditure Account)

Year ended 31st March 2015

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Grants and donations	2	-	-	14,270	14,270	2,480
Investment income	3	162,910	-	-	162,910	55,834
		<u>162,910</u>	<u>-</u>	<u>14,270</u>	<u>177,180</u>	<u>58,314</u>
Incoming resources from charitable activities:						
Operation of leisure and golf facilities		7,690,803	-	123,461	7,814,264	7,934,926
Income from other Bodies		1,026,460	-	7,005	1,033,465	1,174,706
Total incoming resources	4	<u>8,880,173</u>	<u>-</u>	<u>144,736</u>	<u>9,024,909</u>	<u>9,167,946</u>
Resources expended						
Charitable activities:						
Operation of leisure and golf facilities	6	9,394,431	118,802	138,007	9,651,240	9,104,412
Governance costs	5	15,500	-	-	15,500	13,500
Total resources expended		<u>9,409,931</u>	<u>118,802</u>	<u>138,007</u>	<u>9,666,740</u>	<u>9,117,912</u>
Net Incoming resources before transfers		(529,758)	(118,802)	6,729	(641,831)	50,034
Gross transfers between funds	7	(159,935)	159,935	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		<u>(689,693)</u>	<u>41,133</u>	<u>6,729</u>	<u>(641,831)</u>	<u>50,034</u>
Other recognised gains/(losses):-						
Gains on investment assets	12	46,276	-	-	46,276	27,372
Actuarial gains (losses) on defined benefit pension schemes	22	(1,335,000)	-	-	(1,335,000)	387,000
Settlement of defined benefit pension schemes	22	2,213,000	-	-	2,213,000	2,213,000
Net movement in funds		<u>235,583</u>	<u>41,133</u>	<u>6,729</u>	<u>282,445</u>	<u>464,406</u>
Reconciliation of funds						
Total funds brought forward		786,918	541,543	16,582	1,345,043	880,637
Total funds carried forward		<u>1,021,501</u>	<u>582,676</u>	<u>23,311</u>	<u>1,627,488</u>	<u>1,345,043</u>

All of the activities of the charity are classed as continuing until the agreement with Trafford Council comes to an end.

The notes on pages 17 to 32 form part of these financial statements.

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Balance Sheet

Year ended 31st March 2015

	Note	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		100,000		954,751
Investments	12		862,861		824,301
			<u>962,861</u>		<u>1,779,052</u>
Current assets					
Stocks	13	20,777		19,893	
Debtors	14	548,424		865,246	
Cash at bank and in hand		1,282,797		1,044,477	
		<u>1,851,998</u>		<u>1,929,616</u>	
Creditors: Amounts falling due within one year	15	<u>(1,187,371)</u>		<u>(1,417,625)</u>	
Net current assets			<u>664,627</u>		511,991
Total assets less current liabilities			<u>1,627,488</u>		<u>2,291,043</u>
Pension Liability	22		-		(946,000)
Net assets			<u>1,627,488</u>		<u>1,345,043</u>
Funds					
Unrestricted Funds	18	1,021,501		786,918	
Designated Funds	18	582,676		541,543	
Restricted Funds	18	23,311		16,582	
TOTAL FUNDS			<u>1,627,488</u>		<u>1,345,043</u>

These financial statements were approved by the members of the committee on the 17th September 2015 and are signed on their behalf by:

F A P Martin
Chairman

Company Registration Number 4656262
Charity Number 1105629

The notes on pages 17 to 32 form part of these financial statements.

**TRAFFORD COMMUNITY LEISURE TRUST
COMPANY LIMITED BY GUARANTEE**

Cash Flow Statement

Year ended 31st March 2015

	Note	2015 £	£	2014 £	£
Net cash inflow from operating activities	24		297,055		183,242
Returns on investments and Servicing of finance					
Interest received		7,529		7,342	
Income from fixed asset investments		29,362		29,555	
Investment Management Charges		(7,912)		(5,673)	
Net cash inflow from returns on investments and servicing of finance			28,979		31,224
Capital expenditure					
Payments to acquire tangible fixed assets		(101,322)		(184,302)	
Receipts from sale of fixed assets		12,400		19,134	
Net cash (outflow) from capital expenditure			(88,922)		(165,168)
Increase in cash	26		237,112		49,298

The notes on pages 17 to 32 form part of these financial statements.

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31st March 2015

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of these financial statements are set out below.

Consolidation

The Trust has taken advantage of the exemption under FRS 2 not to prepare consolidated accounts of its dormant subsidiary undertaking, on the grounds that the results are not material to the group.

Incoming resources

Voluntary income, including donations, gifts and legacies, and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

The donor specifies that the grant or donation may only be used in future accounting periods;

The donor has imposed conditions which must be met before the charity has unconditional entitlement

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions, is recognised as earned (as the related goods and services are provided). Grant income included in this category is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when:

Income is received in the form of annual memberships and advance bookings of hall, pool and sports equipment hire, as the services have not been provided in the relevant accounting period.

Resources expended

Expenditure is recognised when a liability is incurred.

Charitable activities include expenditure associated with the operation of the leisure centres, the golf courses and Sport Trafford, and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions, such as Finance, I.T., HR, Marketing, Insurance, Legal and Professional Costs and such costs are not attributable to a single activity, rather providing the infrastructure that enables the activities to take place. These costs therefore are apportioned on a basis of income derived from such activities or in the case of I.T. relative to the number of computers at each site.

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31st March 2015

Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses on acquisition.

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

Computer equipment – 33.3% or 50% of cost per annum

Plant and equipment – 10%, 20%, 33.3% or 50% of cost per annum

Gymnasium equipment – 20%, 33.3% or 50% of cost per annum

Depreciation is not charged in the year of acquisition.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stock consists of sports equipment, vending supplies and catering foodstuffs.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the statement of financial activities on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Funds structure

The Trust has a number of restricted funds to account for situations where a donor requires that a grant or donation must be spent on a particular purpose.

All other funds are unrestricted income funds. The funds held in each of these categories are disclosed in note 18.

Designated funds are funds which have been allocated or designated for specific purposes by the company out of unrestricted funds.

Investments

Investments are stated at market value, unless the difference is insignificant, in which case the cost price of the investment will be used.

Pension costs

Employees of the Trust have been eligible to join the Greater Manchester Pension Fund, which is funded by contributions from employees and the Trust as an employer. The assets of the scheme are held separately in a fund administered for the benefit of Local Authority employees and those other scheduled bodies.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method. Pension scheme assets are valued at market value at the balance sheet date. The pension scheme deficit is recognised in full on the balance sheet.

**TRAFFORD COMMUNITY LEISURE TRUST
COMPANY LIMITED BY GUARANTEE**

Notes to the Financial Statements

Year ended 31st March 2015

5. Allocation of support and marketing costs

The trust allocates its support and marketing costs as shown in the table below and then further apports those costs between the charitable activities undertaken (see note 6). Marketing and support costs are then allocated on a basis consistent with the income derived from the individual centres. Allocation between individual sites under any other basis is impracticable.

Support and Marketing Costs	Leisure and golf operation £	Governance £	2015 Total £	2014 Total £
Salaries	797,310		797,310	790,373
Premises costs	36,763		36,763	51,507
Office costs	47,703		47,703	49,428
Computer Charges	38,073		38,073	41,446
Audit fees	-	15,500	15,500	13,500
Legal and professional	57,331		57,331	37,384
Marketing and publicity costs	56,160		56,160	74,458
Unrecoverable VAT	32,493		32,493	59,843
Insurance	103,157		103,157	93,530
Bank charges	8,753		8,753	9,781
Depreciation	21,879		21,879	14,942
Miscellaneous costs	11,109		11,109	6,632
	<u>1,210,731</u>	<u>15,500</u>	<u>1,226,231</u>	<u>1,242,824</u>

**TRAFFORD COMMUNITY LEISURE TRUST
COMPANY LIMITED BY GUARANTEE**

Notes to the Financial Statements

Year ended 31st March 2015

6. Analysis of charitable expenditure

The charity undertakes direct charitable activities only and does not make grant payments. The costs are allocated directly, with the exception of support and marketing costs - details of these costs before allocation are found in note 5.

	Cost of Sales	Employee related costs	Utilities	Premises Costs	Overheads	Depreciation	Unrecoverable VAT	I.T. Costs	Support and Marketing Costs	Total 2014/15	Total 2013/14
	£	£	£	£	£	£	£	£	£	£	£
Altrincham Golf	33,218	175,053	9,792	39,449	18,878	31,400	8,812	5,640	55,965	378,207	376,830
William Wroe Golf	9,221	146,653	2,717	30,576	8,045	27,310	7,031	2,820	32,915	267,288	263,769
Altrincham LC	21,342	796,359	177,614	45,201	106,580	9,698	41,915	18,331	232,013	1,449,053	1,437,605
George Carnall LC	12,915	321,768	64,038	27,008	35,992	9,832	16,984	11,281	81,438	581,256	554,204
Partington LC	2,190	245,393	67,347	27,043	27,393	1,128	17,627	5,640	49,929	443,690	466,620
Sale LC	19,454	672,045	169,458	81,889	120,759	10,017	50,994	16,921	226,504	1,368,041	1,365,451
Stretford LC - Chester	45,668	648,839	149,678	82,605	76,393	15,481	40,185	16,921	214,674	1,290,444	1,279,811
Stretford LC - Talbot	143	110,701	7,565	2,180	51,453	26,250	8,212	5,640	25,602	237,746	210,138
Flixton House	21,390	43,155	-	4,029	7,074	-	1,022	2,820	9,403	88,893	83,408
The Grammar	-	123,914	17,216	994	33,007	-	6,451	5,640	31,500	218,722	226,168
Urmston LC	16,353	574,776	114,956	60,108	64,125	43,082	31,300	14,101	159,375	1,078,176	1,046,064
Sports Barn	-	54,853	9,417	10,149	11,612	193	3,369	1,410	11,252	102,255	101,024
Swim Development	-	34,183	-	-	82,995	-	252	-	19,318	136,748	123,736
Asset Management	-	66,210	-	-	53,769	-	8,079	-	-	128,058	432,285
Sports Coaching	-	215,313	-	13,016	11,629	-	4,270	9,871	28,353	282,452	659,742
Community Devpmt	-	176,614	-	9,297	76,628	-	2,095	8,461	220	273,315	-
Football Development	-	35,811	-	-	89,068	-	14,493	1,410	22,619	163,401	-
TUF*C	-	70,805	-	-	591	-	208	-	1,404	73,008	77,428
Learning & Devpmt	-	97,065	-	5,578	87,047	-	10,669	5,640	8,247	214,246	242,055
Other Restricted	-	-	-	13,045	1,501	-	-	-	-	14,546	15,382
Other Designated	-	-	-	61,163	44,239	-	-	13,400	-	118,802	142,692
Asset impairment (note 11)	-	-	-	-	-	742,893	-	-	-	742,893	-
Total	181,894	4,609,510	789,798	513,330	1,008,778	917,284	273,968	145,947	1,210,731	9,651,240	9,104,412

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31st March 2015

Accounting policies (continued)

Pension costs (continued)

Until January 2014, employees have also been eligible to join a group stakeholder scheme operated by AXA. Employees joining the scheme contract directly with the Insurance Company. From January 2014, in preparation for auto-enrolment, the Trust set up a new pension scheme with The People's Pension and all existing members of the AXA scheme were transferred to this new scheme, with protected contractual rights, ahead of all other eligible staff being automatically enrolled into the new scheme in April 2014.

The pension charge recorded in these financial statements is the amount of contributions payable in the accounting year.

Unrecoverable VAT

Certain activities of the Trust are outside the scope of VAT and output tax does not apply in those cases. Input tax is therefore restricted on a partial exemption basis. The irrecoverable element of VAT is charged to the SOFA and has been allocated out to individual cost centres using an apportionment basis linked to their overall vatable expenditure, as direct allocation to the individual expense categories would be impracticable.

2. Voluntary Income

	2015 £	2014 £
Football Foundation	14,270	2,000
Ashton-on-Mersey School	-	480
	<u>14,270</u>	<u>2,480</u>

Investment income

	2015 £	2014 £
Bank interest receivable	7,529	7,342
Dividend income	29,362	29,555
Realised profit on investments	2,019	18,937
Pension Finance Income	124,000	-
	<u>162,910</u>	<u>55,834</u>

**TRAFFORD COMMUNITY LEISURE TRUST
COMPANY LIMITED BY GUARANTEE**

Notes to the Financial Statements

Year ended 31st March 2015

4. Incoming resources from charitable activities

	2015	2014
	£	£
Income from Leisure and golf facilities		
Altrincham Golf Course	359,340	367,359
George H Carnall Leisure Centre	522,903	493,910
Partington Leisure Centre	320,590	315,247
Stretford Sports Village – Chester Site	1,378,393	1,339,306
Stretford Sports Village – Talbot Site	164,386	142,895
Swimwell Development	124,035	95,807
Urmston Leisure Centre	1,021,243	993,646
William Wroe Golf Course	211,341	220,595
Altrincham Leisure Centre	1,489,720	1,512,306
Sale Leisure Centre	1,454,347	1,464,821
Sports Barn	72,244	75,608
Sports Coaching	182,048	352,604
Football Development	145,236	-
Active Living	1,416	-
Asset Management	-	148,220
Flixton House	76,668	70,755
TUF*C	9,016	17,077
The Grammar	202,256	226,967
Training Courses/Other Income	79,082	97,803
Sub Total	7,814,264	7,934,926
Incoming Resources From Other Bodies		
Trafford Council – Management Fee	902,999	1,102,999
Football Foundation	-	5,000
Street Games	13,625	19,800
Greater Sport	76,598	27,104
Trafford Rowing Club	25,248	-
NGBs	2,000	7,611
Trafford PCT	10,075	12,192
Trafford Housing Trust	2,920	-
Sub Total	1,033,465	1,174,706
Total Incoming resources from Charitable activities	8,847,729	9,109,632

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Detailed Statement of Financial Activities Year ended 31st March 2015

7. Gross transfers between funds

In March 2014 the Board designated a sum of £112,615 plus VAT from unrestricted funds to be spent on Minor Works during 2014/15. Expenditure totalling £104,962 has been incurred from these funds (and the balance of £6,445 which was brought forward from last year) during the year, including a sum of £48,804 on tangible fixed assets which has been capitalised in these financial statements and the designation removed.

In March 2014 the Board also approved a sum of £15,295 plus VAT to be spent on approved I.T. Development during the coming year, and funds to this value were designated for that purpose and added to a sum of £15,626 which had been brought forward from the previous year. Expenditure totalling £22,595 including costs of £9,195 which have been capitalised, is reported in these statements, and the designation removed.

In March 2014, the Board also approved a sum of £49,140, including VAT to be designated to fund replacement golf machinery. These funds have been utilised during the year on fixed asset acquisition, thus removing the designation.

During 2013/14 the Board approved a sum of £72,600 to be designated to fund professional fees associated with the establishment of a new pension scheme in order to meet the Trust's obligations under Auto Enrolment and to fund professional fees relating to work associated with "The Way Forward" project. Expenditure of £68,386 had been incurred up to 31 March 2014. During 2014/15, a further £50,000 was designated by the Board for this purpose, and costs of £44,239 have been incurred from that funding up to 31 March 2015.

As part of the Partnership Agreement in place between the Trust and Altrincham Grammar School for Boys, a clause exists requiring the establishment of a sinking fund for capital replacement at the Grammar, at the end of the first 5 years of operation. This fund was established in April 2014, and the Trust has designated £6,792 during the year for this purpose.

8. Staff costs

The aggregate payroll costs were:

	2015	2014
	£	£
Wages and salaries	4,726,290	4,800,698
Social security costs	294,142	305,112
Pension costs – operating costs	270,885	318,705
	<u>5,291,317</u>	<u>5,424,515</u>
Pension costs - net finance costs/ (income)	(124,000)	3,000
	<u><u>5,167,317</u></u>	<u><u>5,527,515</u></u>

No Trustees either received or waived any emoluments during the period. No out of pocket expenses were reimbursed to Trustees during the period.

There was one employee, whose emoluments, as defined for tax purposes, fell within the band between £70,001 and £80,000 (2014 - one). Pension contributions totalling £14,293 (2014: £13,089) were paid on behalf of the above employee during the year who has retirement benefits accruing under a defined benefit pension scheme.

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Detailed Statement of Financial Activities Year ended 31st March 2015

8. Staff costs (continued)

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2015	2014
	No	No
Number of leisure and support staff	418	422
Number of administration and management staff	38	37
	<u>456</u>	<u>459</u>

9. Taxation

The Trust is a charity for tax purposes with effect from incorporation, therefore there is no liability for corporation tax reflected in these financial statements.

10. Auditors remuneration

Auditors remuneration of £ 15,500 (2014: £13,500) related solely to the audit.

11. Tangible fixed assets

	Gymnasium Equipment £	Computer Equipment £	Plant and Equipment £	Total £
Cost				
At 1st April 2014	251,482	318,560	2,026,327	2,596,369
Additions	13,125	9,195	79,002	101,322
Disposals	-	-	(48,803)	(48,803)
At 31st March 2015	<u>264,607</u>	<u>327,755</u>	<u>2,056,526</u>	<u>2,648,888</u>
Depreciation				
At 1st April 2014	170,506	289,962	1,181,150	1,641,618
Charge for the year	38,376	6,531	157,892	202,799
Disposals	-	-	(38,422)	(38,422)
Impairment (see below)	49,725	27,262	665,906	742,893
At 31st March 2015	<u>258,607</u>	<u>323,755</u>	<u>1,966,526</u>	<u>2,548,888</u>
Net book value				
At 31st March 2015	<u>6,000</u>	<u>4,000</u>	<u>90,000</u>	<u>100,000</u>
At 31st March 2014	<u>80,976</u>	<u>28,598</u>	<u>845,197</u>	<u>954,751</u>

The Trustees have carried out an impairment review of the value of fixed assets after the year end. An agreement has been made to gift all of the fixed assets owned by the Trust to a new Community Interest Company on 1 October 2015 at a value of £nil. The netbook value above represents a value at the year end which, after depreciation in the period to 30 September 2015, will result in a net book value of £nil on transfer.

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Detailed Statement of Financial Activities Year ended 31st March 2015

12. Investments

Movement in market value

	2015	2014
	£	£
Market value at 1st April 2014	824,301	796,058
Acquisitions	65,973	118,649
Disposals	(72,481)	(117,578)
Change in market value	46,276	27,372
Change in cash fund balances	(1,208)	(200)
Market value at 31st March 2015	<u>862,861</u>	<u>824,301</u>

12. Investments (continued)

	2015	2014
	£	£
Historical cost at 31st March 2015	<u>730,409</u>	<u>722,427</u>

Analysis of investments at 31st March 2015 between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	£	£	£	£
Investment in subsidiary	1	-	1	1
Listed investments	862,801	-	862,801	823,033
Cash held as investment portfolio	59	-	59	1,267
	<u>862,861</u>	<u>-</u>	<u>862,861</u>	<u>824,301</u>

Listed investments

Listed investments having a market value of £862,801 (2014 - £823,033) are held by the charity and had a cost of £730,409 at the end of the year (2014 - £722,427).

The investment in subsidiary represents the whole of the issued share capital of Trafford Community Leisure Enterprises Limited. The company was incorporated in England & Wales. The company has not traded during the year, and has no reserves.

13. Stocks

	2015	2014
	£	£
Stock	<u>20,777</u>	<u>19,893</u>

14. Debtors

	2015	2014
	£	£
Trade debtors	353,270	621,035
Other debtors	5,329	4,253
Prepayments and accrued income	150,581	237,322
Taxation and social security	39,244	2,636
	<u>548,424</u>	<u>865,246</u>

**TRAFFORD COMMUNITY LEISURE TRUST
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities
Year ended 31st March 2015**

15. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	220,002	315,811
Other creditors	48,049	56,369
Accruals	309,507	270,791
Deferred income (note 16)	609,813	774,654
	<u>1,187,371</u>	<u>1,417,625</u>

16. Deferred Income

At 31st March 2015 the movement in deferred income is as follows

	2015	2014
	£	£
Balance at 1st April 2014	774,654	826,286
Amounts released in year	(774,654)	(826,286)
Amounts deferred in year	609,813	774,654
Balance at 31st March 2015	<u>609,813</u>	<u>774,654</u>

17. Commitments under operating leases

At 31st March 2015 the charity had annual commitments under non-cancellable operating leases as set out below.

	Land & buildings	
	2015	2014
	£	£
Operating leases which expire:		
In less than one year	21,950	-
Within 2 to 5 years	-	42,900
	<u>35,750</u>	<u>42,900</u>
	Assets other than land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
In less than one year	79,449	15,206
Within 2 to 5 years	-	126,740
	<u>79,449</u>	<u>141,946</u>

As part of the agreed transfer of activities to the new Community Interest Company on 1 October 2015, all leases will be reassigned to the new entity.

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Detailed Statement of Financial Activities Year ended 31st March 2015

18. Analysis of charitable funds

Analysis of Unrestricted and Designated fund movements

	Balance at 1 Apr 2014 £	Incoming £	Outgoing £	Gains/ (losses)	Transfers	Balance at 31 Mar 2015 £
Unrestricted Funds						
General funds	1,732,918	8,756,173	(9,353,931)	46,276	(159,935)	1,021,501
Pension Reserve (note 22)	(946,000)	68,000	-	878,000	-	-
Total						
Unrestricted funds	786,918	8,824,173	(9,353,931)	924,276	(159,935)	1,021,501
Designated funds						
Funding Contingency	500,000	-	-	-	-	500,000
Authorised repairs	6,445	132,463	(56,158)	-	(48,804)	33,946
I.T. Development Fund	15,626	24,721	(13,400)	-	(9,195)	17,752
Capital Fund	702	-	-	-	(702)	-
Professional Fees	4,214	50,000	(44,239)	-	-	9,975
Golf Equipment Fund	345	49,140	(5,005)	-	(44,480)	-
Swim Development	14,211	-	-	-	-	14,211
Grammar Sinking Fund	-	6,792	-	-	-	6,792
Total designated funds	541,543	263,116	(118,802)	-	(103,181)	582,676

Funding Contingency

As outlined in the Reserves Policy Statement contained in the Trustees Annual Report, the Board has determined that a sum of £500,000 is required to enable the Trust to be able to continue to provide all operations and services for a period of at least twelve months, in the event of a significant proportion of our income not being realised.

Authorised Repairs/ Minor Works/Capital Fund

In March 2014 the Board designated a sum of £112,615 plus VAT from unrestricted funds to be spent on Minor Works during 2014/15. Expenditure totalling £104,962 has been incurred from these funds (and the balance of £6,445 which was brought forward from last year) during the year, including a sum of £48,804 on tangible fixed assets which has been capitalised in these financial statements and the designation removed

I.T. Development Fund

In March 2014 the Board approved a sum of £15,295 plus VAT to be spent on approved I.T. Development during the coming year, and funds to this value were designated for that purpose and added to a sum of £15,626 which had been brought forward from the previous year. Expenditure totalling £22,595 including costs of £9,195 which have been capitalised, is reported in these statements, and the designation removed.

Professional Fees

During 2013/14 the Board approved a sum of £72,600 to be designated to fund professional fees associated with the establishment of a new pension scheme in order to meet the Trust's obligations under Auto Enrolment and to fund professional fees relating to work associated with "The Way Forward" project. Expenditure of £68,386 had been incurred up to 31 March 2014. During 2014/15, a further £50,000 was designated by the Board for this purpose, and costs of £44,239 have been incurred from that funding up to 31 March 2015

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Detailed Statement of Financial Activities Year ended 31st March 2015

Analysis of Charitable Funds – Designated Funds (continued)

Swimwell Development Fund

The Trust has been in receipt in previous years of funding for a number of specific swimming initiatives, the outcomes of which have all now been achieved and signed off. This funding was previously shown within a number of individual restricted funds in the Trust accounts, but the balance on these accounts, £17,894, was transferred last year into one new designated fund for Swim Development and will be being used to fund the new Learn2 initiative.

Grammar Sinking Fund

As part of the Partnership Agreement in place between the Trust and Altrincham Grammar School for Boys, a clause exists requiring the establishment of a sinking fund for capital replacement at the Grammar, at the end of the first 5 years of operation. This fund was established in April 2014, and the Trust has designated £6,792 during the year for this purpose.

Restricted Funds

Analysis of Restricted fund movements

	Balance at 1 Apr 2014	Incoming	Outgoing	Balance at 31 Mar 2015
	£	£	£	£
Mayor of Trafford Fund	9,860	-	-	9,860
Top Up Swimming	6,722	-	(406)	6,316
Football Foundation	-	14,270	(13,045)	1,225
TUF*C	-	5,250	-	5,250
Gymnastics Development	-	1,755	(1,095)	660
Operational Budgets	-	123,461	(123,461)	-
	<u>16,582</u>	<u>144,736</u>	<u>(138,007)</u>	<u>23,311</u>

Mayor of Trafford Fund

During her year as Mayor of Trafford, Councillor Viv Ward chose Trafford Community Leisure Trust as one of her nominated charities and staff from the Trust worked closely with Cllr Ward on a number of fund raising activities. The money donated to Trafford Community Leisure Trust is to be used to benefit local residents, and in particular young people, through the provision of equipment.

Top Up Swimming

“Top-Up” swimming is an intervention programme aimed at supporting Y6 pupils (11 year olds) to reach the statutory requirement of being able to swim 25 metres by the age of 11. The 'Top-Up' swimming programme will fund additional swimming lessons, pool hire & transport for targeted Y6 pupils across the partnership. A balance of £6,316 remains in this fund for this purpose.

Football Foundation

During the year, the Trust received a grant of £14,270 from the Barclays Spaces for Sports Sustainability fund towards the cost of lighting improvements, tennis court facilities and AGP netting at the Old Trafford Sports Barn.

TUF*C

During the year, the Trust received a grant of £13,625 from Street Games towards the cost of Door Steps Sports Clubs in the Trafford Area. A balance of £5,250 remained at the end of 2014/15 which has been transferred to Restricted Funds and will be used for supporting the continued development of Tuf*c in the delivery of Door Steps Sports Clubs.

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Detailed Statement of Financial Activities Year ended 31st March 2015

Analysis of Charitable Funds – Restricted Funds (continued)

Gymnastics development

During the year the Trust received funding of £1,755 from Greater Sports in consideration for running a Greater Manchester Gymnastics competition. This funding has been used in the year to fund a Gymnastics Fun Day with the balance remaining at 31 March earmarked to be spent on equipment.

19. Analysis of net assets (between restricted, unrestricted and designated funds)

	Tangible fixed assets	Investments	Other net assets	Total
	£	£	£	£
Restricted Funds				
Mayor of Trafford Fund	-	-	9,860	9,860
Top Up Swimming	-	-	6,316	6,316
Football Foundation	-	-	1,225	1,225
TUF*C	-	-	5,250	5,250
Gymnastics Development	-	-	660	660
	<u>-</u>	<u>-</u>	<u>23,311</u>	<u>23,311</u>
Unrestricted Funds	842,893	362,861	(1,654,360)	(448,606)
Designated Funds	-	500,000	82,676	582,676
	<u>842,893</u>	<u>862,861</u>	<u>(1,548,373)</u>	<u>157,381</u>

20. Legal status of the Trust

The Trustees of the Company have undertaken to contribute to the assets of the Company, in the event of the same being wound up whilst being a member, or within one year after ceasing to be a member. For payments of the debts and liabilities of the Company contracted before ceasing to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

21. Related party transactions

The charity has a close working relationship with Trafford Council; this body nominates two of the Trustees (see the Trustees' annual report) and provides funding to enable the charity to carry out its charitable objectives. The following is a summary of transactions with the entity:

	2015	2014
	£	£
Revenue funding	<u>775,721</u>	<u>1,175,224</u>
Charitable expenditure	<u>44,940</u>	<u>214,792</u>

All the above funding was received either as fees under contract or by grant funding. This income has been included in the financial statements under incoming resources from charitable activities. The above expenditure reflects invoiced costs in the year; it has been included in the financial statements under direct charitable expenditure.

There was an outstanding balance of £11,351 due from the related party at 31 March 2015 (2014: £289,339). The charity Trustees were not paid or reimbursed expenses during the year and no charity Trustee received any emolument or payment for professional or other services.

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Detailed Statement of Financial Activities Year ended 31st March 2015

22. Defined Benefit Pension scheme

The Trust is part of a multi employer defined benefit scheme. There were contributions of £ nil outstanding at the year end (2014 - £nil). A full actuarial valuation was carried out as at 31st March 2013, and is updated annually by a qualified independent actuary. The major assumptions used by the actuary were:

	2015 %	2014 %	2013 %
Rate of increase in salaries	3.6	3.9	4.6
Rate of increase in pensions in payment	2.4	2.8	2.8
Discount rate	3.2	4.3	4.5
Inflation assumption	2.4	2.8	2.8

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

	2015		2014		2013	
	Long-term rate of return expected %	Value £'000	Long-term rate of return expected %	Value £'000	Long-term rate of return expected %	Value £'000
Equities	3.2	8,405	6.6	7,495	5.7	6,647
Bonds	3.2	1,958	3.8	1,770	3.5	1,569
Property	3.2	691	4.8	625	3.9	462
Cash	3.2	461	3.7	521	3.0	554
Total market value of assets		<u>11,515</u>		<u>10,411</u>		<u>9,232</u>
Present value of scheme liabilities		<u>(13,728)</u>		<u>(11,357)</u>		<u>(10,464)</u>
Net pension (liability)		<u>(2,213)</u>		<u>(946)</u>		<u>(1,232)</u>

As a result of the transfer of the liability to the new Community Interest Company on 1 October 2015, the pension liability has been treated as £nil as at 31 March 2015. This has been reflected as a recognised gain in the Statement of Financial Activities and resulted in the removal of the pension reserve (note 18).

	2015 £	2014 £
At 1st April 2014	(946,000)	(1,232,000)
Total operating charge	(249,000)	(308,000)
Total other finance(costs)/ income	124,000	(3,000)
Actuarial income recognised in the statement of total recognised gains and losses	(1,335,000)	387,000
Contributions	193,000	210,000
At 31st March 2015	<u>(2,213,000)</u>	<u>(946,000)</u>

An analysis of the defined benefit cost follows:

	2015 £	2014 £
Current service cost	(249,000)	(308,000)
Total operating charge	<u>(249,000)</u>	<u>(308,000)</u>

TRAFFORD COMMUNITY LEISURE TRUST COMPANY LIMITED BY GUARANTEE

Detailed Statement of Financial Activities Year ended 31st March 2015

22. Defined Benefit Pension scheme (continued)

Analysis of the amount credited to finance income:

	2015 £	2014 £
Other finance costs: expected return on assets in the scheme	611,000	469,000
Other finance costs: interest costs	<u>(487,000)</u>	<u>(472,000)</u>
Total finance income	<u>(124,000)</u>	<u>(3,000)</u>

Analysis of the amount recognised in statement of financial activities:

	2015 £	2014 £
Difference between expected and actual return on assets	590,000	753,000
Experience gains/ (losses) arising from scheme liabilities	83,000	(236,000)
Effect of changes in assumptions underlying the present value of scheme liabilities	<u>(2,008,000)</u>	<u>(130,000)</u>
Actuarial (losses)/gains	<u>(1,335,000)</u>	<u>387,000</u>

A history of experience gains and losses is shown below:

	2015	2014	2013
Difference between the expected and actual return on scheme assets:			
- amount (£)	590,000	753,000	714,000
- % of scheme assets	5	9	8
Experience gains/(losses) on scheme liabilities:			
- amount (£)	83,000	(236,000)	8,000
- % of the present value of scheme liabilities	1	(2)	0.0
Total amount recognised in statement of total recognised gains and losses:			
- amount (£)	(1,335,000)	387,000	(595,000)
- % of the present value of scheme liabilities	10	(3.4)	(6)

23. Defined Contribution Pension scheme

The total pension scheme contributions paid by the company during the year was £26,820 (2014:£14,409). There were no contributions outstanding at the end of the year.

**TRAFFORD COMMUNITY LEISURE TRUST
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities
Year ended 31st March 2015**

**24. Reconciliation of operating (deficit) to
Net cash inflow from operating activities**

	2015 £	2014 £
Operating (deficit)/surplus	282,445	464,406
Income from investments	(76,659)	(65,340)
Investment management charges	7,912	5,674
Depreciation	945,692	200,103
Profit on disposal of fixed assets	(2,019)	(18,937)
(Increase)/Decrease in stocks	(884)	19,752
Decrease in debtors	316,822	16,626
(Decrease) in creditors	(230,254)	(153,042)
Change in pension provision	(946,000)	(286,000)
	<u>297,055</u>	<u>183,242</u>

25. Reconciliation of net cash flow movement to movement in net funds

	2015 £	2014 £
Increase in cash in the period	237,112	49,298
Net funds at 1st April 2014	1,045,744	996,446
Net funds at 31st March 2015	<u>1,282,856</u>	<u>1,045,744</u>

26. Analysis of changes in net funds

	1 Apr 14 £	Cash flows £	31 Mar 15 £
Cash in hand and at bank	1,044,477	238,320	1,282,797
Fixed asset investments	1,267	(1,208)	59
	<u>1,045,744</u>	<u>237,112</u>	<u>1,282,856</u>

**TRAFFORD COMMUNITY LEISURE TRUST
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities
Year ended 31st March 2015**

Income	2015	2014
Dryside Activities	765,441	793,860
Wetside Activities	2,462,042	2,301,205
Health and Fitness	224,349	219,704
Membership Income	2,321,587	2,406,594
Aerobics	137,016	145,245
50 Plus Activities	44,970	43,305
Children's Activities	443,428	380,165
Golf Green fees	340,700	351,917
Golf Tuition	3,754	2,467
Hire of Equipment	27,951	24,076
Football Income	83,890	89,220
Partington Sports Village	42,664	40,270
Bar Sales	21,029	28,592
Catering Sales	121,136	106,036
Vending	82,963	96,409
Shop sales	135,407	133,827
Other Income	191,933	239,171
Grant Income	939,826	1,130,610
Investment Income	36,891	36,897
Pension finance income	124,000	-
TMBC Grounds Contract Income	59,000	59,000
School SLA	180,209	281,667
External Post Income	66,736	25,113
Course and other income	99,254	150,887
School Recharge	50,959	57,406
Room Hire	17,774	24,303
Total income	9,024,909	9,167,946

**TRAFFORD COMMUNITY LEISURE TRUST
COMPANY LIMITED BY GUARANTEE**

**Detailed statement of financial activities
Year ended 31st March 2015**

Expenditure

	2015	2014
Cost of sales	181,894	164,500
Training and course costs	67,537	81,104
Salaries	4,726,290	4,800,698
National Insurance contributions	294,142	305,112
Pension contributions	214,885	220,705
Pension operating cost adjustment	56,000	98,000
Pension finance cost	-	3,000
Recruitment advertising	7,822	6,013
Other employee costs	58,906	85,569
Payroll costs	48,774	48,925
Electricity	297,495	307,192
Gas	310,155	368,115
Water	188,409	176,817
Building repairs and maintenance	222,975	249,836
Grounds repairs and maintenance	61,903	55,262
Maintenance contracts	130,566	129,654
Rent and rates	123,985	58,785
Cleaning	57,400	89,815
Sports Equipment costs	106,933	125,152
Other equipment costs	87,238	87,474
Office equipment costs	27,752	27,527
Health and Safety	1,355	1,585
Filtration supplies	35,792	36,732
Printing and stationery	33,846	33,594
Telephones and postage	38,905	37,761
Computer expenses	120,534	123,075
Marketing and advertising	72,309	86,759
Children's activities	72,284	5,015
Aerobics contractors	104,588	107,754
Dry Sports coaches	17,325	24,237
Pitch and pavilion costs	27,949	54,268
Football running costs	3,532	12,736
Pitch maintenance	57,252	55,613
Sports coaching	75,098	38,186
Insurance	104,261	94,634
Licenses	53,513	54,441
Professional Fees	123,121	122,514
Bank charges	67,163	63,134
Miscellaneous	45,832	43,962
Unrecoverable VAT	328,771	372,982
Depreciation	202,799	200,103
Impairment of fixed assets	742,893	-
Swimwell Development	66,557	59,572
Total expenditure	9,666,740	9,117,912