

**REGISTERED NUMBER: IP29372R (England and Wales)**

**REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
FOR  
OLDHAM COMMUNITY LEISURE LIMITED**

Wallwork Nelson & Johnson  
Chartered Accountants & Statutory Auditors  
Chandler House  
7 Ferry Road Office Park  
Riversway  
Preston  
Lancashire  
PR2 2YH

# **OLDHAM COMMUNITY LEISURE LIMITED**

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**OLDHAM COMMUNITY LEISURE LIMITED**

**SOCIETY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2020**

**DIRECTORS:**

K Wheelton  
N Harrison  
T Rafique  
L Clegg  
S Lockwood  
J Smallwood  
C Murray  
Z Chauhan  
D Whaley  
S McDonnell  
C Gloster  
N Hewitt

**SECRETARY:**

L Walton

**REGISTERED OFFICE:**

Chadderton Wellbeing Centre  
Burnley Street  
Chadderton  
OL9 0JW

**REGISTERED NUMBER:**

IP29372R (England and Wales)

**AUDITORS:**

Wallwork Nelson & Johnson  
Chartered Accountants & Statutory Auditors  
Chandler House  
7 Ferry Road Office Park  
Riversway  
Preston  
Lancashire  
LS2 3AG

## **OLDHAM COMMUNITY LEISURE LIMITED**

### **CHAIRMAN'S REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

It is important we recognise the great work for the majority of the financial year. Through increased capital investment, more effective marketing and continual improvements in customer care the number of visits to our centres and the number of memberships were higher than ever before. In doing so ensuring we are playing our part in developing better health and well-being across the Borough.

We were on course for meeting our long term financial plans which is a great testament to the work of the team.

Leisure centres and gyms were amongst the many facilities that needed to be closed during the lockdown, not being able to open until late July. We were keen to ensure we played our full part in emergency measures with Oldham Leisure Centre being a base for the Oldham hub-site along with members of our team being a crucial part of the multi-agency response. Our CEO, Stuart Lockwood, played his role as part of the leadership response across the Borough.

We were ready to go on the first day of easing restrictions with all our facilities being available in a Covid-secure way. I must pay a huge testament to our team on the way in which they rallied to ensure as many people as possible could return to being active and enjoying their sport. The feedback we have had on the friendly, clean and safe service from our customers has been overwhelming.

Nevertheless, the pressure on our financial position has been huge and it is only with further public sector funding have we been able to continue. We have always had a mature and supportive relationship with Oldham Council and that has stood us all in good stead as we have been able to work through solutions to the financial situation. This will need to continue for some time to come if Oldham is going to be able to continue providing the essential services, for physical and mental health, that activity in leisure centres bring. We thank the officers and members of Oldham Council for their continued support.

This period has brought tremendous personal pressure on everyone. I wish a massive thank you and best wishes to the trustees, the fantastic staff team, our partners and of course, our patient and loyal customers. I look forward to the day soon when our facilities are once again brimming with vibrancy, energy and fun.

Nigel Harrison  
Chair OCL

## **OLDHAM COMMUNITY LEISURE LIMITED**

### **CHIEF EXECUTIVE'S STATEMENT**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

This year's accounts demonstrate a favourable performance in terms of trading throughout 2019-20, but at the time of writing we face a significant degree of uncertainty due to the impact of the Coronavirus pandemic. Up until the final month of the financial year the company was trading very strongly; the effects of the investment in refurbishment of Saddleworth gym were flowing through and memberships across the Group, including those at the GloGym facility (trading under the Wellbeing Leisure charitable subsidiary) were ahead of the previous year.

However, the outbreak of the Covid-19 pandemic hit trade significantly in March and the enforced close down by Central Government meant the cessation of almost all income overnight. Our contract with the Council whose facilities we manage had provisions for compensation in the event of enforced closure and these were settled by the end of the trading period so that these accounts reflect a positive position overall.

Specific areas of business that were doing particularly well until the closure were memberships, swimming lessons and also spectator events in the large hall at Oldham, especially boxing.

Once we were mandated to close, we acted quickly and pro-actively to minimise our costs by furloughing 95% of the workforce and accessing government support where possible. We took the closure period as an opportunity to undertake repairs and redecoration works which would otherwise have interrupted the business, and we worked closely with the Council and other partners to tackle the pandemic and its devastating economic impact on the community.

Going forward into this financial year we will be concentrating on managing the financial impact of the virus through re-modelling the business along Covid-secure guidelines and also addressing the cost base to meet any shortfall. Relations with our Council landlord are positive and they have pledged support to meet the income gap for the coming year, but we must work with them to ensure we are as cost-effective as possible to ensure we are viable beyond March 2021 and beyond given the uncertainty over timescales for a recovery from the pandemic. However, at this point the assessment of both customer income levels and Council support beyond March 2021 is unclear and this may require a significant revision to the operational arrangements, including potentially the Council management fee, to ensure that viability is maintained.

S Lockwood  
CEO OCL

**OLDHAM COMMUNITY LEISURE LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report with the financial statements of the society for the year ended 31 March 2020.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2020.

**DIRECTORS**

The directors during the year under review were:

The directors during the year under review were:

J Butterworth - resigned 11/3/2020  
K Wheelton  
N Harrison  
T Rafique  
L Clegg  
S Lockwood  
M Wright - resigned 30/11/2019  
J Smallwood  
C Murray  
Z Chauhan  
D Whaley  
S McDonnell  
C Gloster  
N Hewitt - appointed 26/9/2019

The directors holding office at 31 March 2020 did not hold any beneficial interest in the issued share capital of the company at 1 April 2019 (or date of appointment if later) or 31 March 2020.

**OLDHAM COMMUNITY LEISURE LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2020**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The law governing societies requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under this law the directors 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 society and of the profit or loss of the society for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the society's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the society's auditors are aware of that information.

**AUDITORS**

The auditors, Wallwork Nelson & Johnson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
S Lockwood – Director and Chief Executive

Date: .....16/11/20.....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OLDHAM COMMUNITY LEISURE LIMITED**

### **Opinion**

We have audited the financial statements of Oldham Community Leisure Limited (the 'society') for the year ended 31 March 2020 on pages eight to twenty-five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2020 and of its surplus 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 Co-operative and Community Benefit Societies Act 2014.

### **Basis for opinion**

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

### **Material uncertainty related to going concern**

We draw your attention to note 2 in the financial statements. The matters set forth in note 2, indicate a material uncertainty exists that may cast doubt on the society's ability to continue as a going concern, Our opinion is not modified in respect of this matter.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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**

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

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



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OLDHAM COMMUNITY LEISURE LIMITED

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

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

We have nothing to report in respect of the following matters 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small company's regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors 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 directors determine 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 directors are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

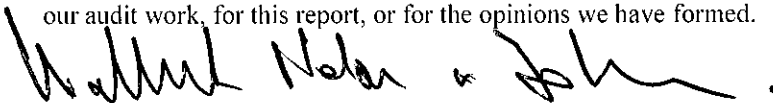
### Auditors' responsibilities for the audit of the financial statements

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

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

### Use of our report

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



Paul Woodburn FCA (Senior Statutory Auditor)  
for and on behalf of Wallwork Nelson & Johnson  
Chartered Accountants & Statutory Auditors  
Chandler House  
7 Ferry Road Office Park  
Riversway  
Preston  
Lancashire  
PR2 2YH

Date: 12 November 2020

**OLDHAM COMMUNITY LEISURE LIMITED**

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2020**

		31/3/20		31/3/19 as restated	
	Notes	£	£	£	£
<b>TURNOVER</b>	3		7,077,307		6,615,369
Cost of sales			<u>558,550</u>		<u>563,009</u>
<b>GROSS PROFIT</b>			6,518,757		6,052,360
Administrative expenses			<u>6,141,648</u>		<u>5,894,544</u>
<b>OPERATING PROFIT</b>	5		377,109		157,816
Interest receivable and similar income			<u>1,324</u>		<u>900</u>
			378,433		158,716
Interest payable and similar expenses		<u>56,014</u>	<u>56,104</u>	<u>53,650</u>	<u>53,650</u>
<b>PROFIT BEFORE TAXATION</b>			322,419		105,066
Tax on profit			<u>-</u>		<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u><u>322,419</u></u>		<u><u>105,066</u></u>

The notes form part of these financial statements

**OLDHAM COMMUNITY LEISURE LIMITED**

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 20**

	31/3/20	31/3/19
Notes	£	as restated £
<b>PROFIT FOR THE YEAR</b>	322,419	105,066
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	-	-
	<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	322,419	105,066
	<hr/> <hr/>	<hr/> <hr/>

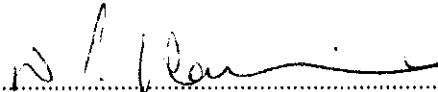
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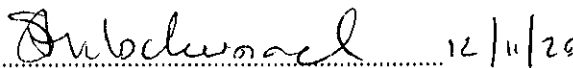
OLDHAM COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: IP29372R)

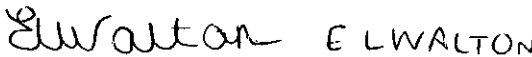
CONSOLIDATED BALANCE SHEET  
31 MARCH 2020

	Notes	31/3/20		31/3/19 as restated	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	8		7,715		24,011
Tangible assets	9		<u>695,112</u>		<u>704,701</u>
			702,827		728,712
<b>CURRENT ASSETS</b>					
Stocks	10	30,595		37,829	
Debtors	11	650,620		366,174	
Cash at bank and in hand		<u>683,217</u>		<u>591,294</u>	
		1,364,432		995,297	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>1,344,025</u>		<u>1,240,577</u>	
<b>NET CURRENT ASSETS/( LIABILITIES)</b>			<u>20,407</u>		<u>(245,280)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			723,234		483,432
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<u>362,193</u>		<u>444,850</u>
<b>NET ASSETS</b>			<u>361,041</u>		<u>38,582</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			2,080		2,040
Retained earnings			<u>358,961</u>		<u>(68,524)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>361,041</u>		<u>38,582</u>

The financial statements were approved by the board on 12/11/2020 and were signed on its behalf by:

  
.....  
N Harrison – Director

 12/11/20  
.....  
S Lockwood – Director and Chief Executive

  
E WALTON  
COMPANY SECRETARY

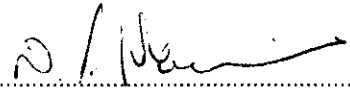
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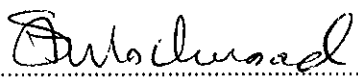
OLDHAM COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: IP29372R)


SOCIETY BALANCE SHEET  
31 MARCH 2020

	Notes	31/3/20		31/3/19 as restated	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	8		5,199		18,978
Tangible assets	9		<u>332,406</u>		<u>159,039</u>
			337,605		178,017
<b>CURRENT ASSETS</b>					
Stocks	10	30,595		37,188	
Debtors	11	1,685,395		1,125,329	
Cash at bank and in hand		<u>681,571</u>		<u>591,000</u>	
			2,397,561		1,753,517
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>1,031,375</u>		<u>927,342</u>	
<b>NET CURRENT ASSETS</b>			<u>1,366,186</u>		<u>826,175</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,703,791		1,004,192
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		117,041		-
<b>TOTAL ASSETS</b>			<u>1,586,750</u>		<u>1,004,192</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			2,080		2,040
Retained earnings			<u>1,584,670</u>		<u>1,002,152</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,586,750</u>		<u>1,004,192</u>

The financial statements were approved by the board on 12/11/2020 and were signed on its behalf by:

  
.....  
N Harrison – Director

 12/11/20  
.....  
S Lockwood – Director and Chief Executive

  
E L WALTON  
COMPANY SECRETARY The notes form part of these financial statements

**OLDHAM COMMUNITY LEISURE LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2018</b>	2,000	(68,524)	(66,524)
<b>Changes in equity</b>			
Issue of share capital	40	-	40
Total comprehensive income	<u>-</u>	<u>105,066</u>	<u>105,066</u>
<b>Balance at 31 March 2019</b>	<u>2,040</u>	<u>36,542</u>	<u>38,582</u>
<b>Changes in equity</b>			
Issue of share capital	40	-	40
Total comprehensive income	<u>-</u>	<u>322,419</u>	<u>322,419</u>
<b>Balance at 31 March 2020</b>	<u><u>2,080</u></u>	<u><u>358,961</u></u>	<u><u>361,041</u></u>

The notes form part of these financial statements

**OLDHAM COMMUNITY LEISURE LIMITED**

**SOCIETY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2018</b>	2,000	605,998	607,998
<b>Changes in equity</b>			
Issue of share capital	40	-	40
Total comprehensive income	-	396,154	396,154
<b>Balance at 31 March 2019</b>	<u>2,040</u>	<u>1,002,152</u>	<u>1,004,192</u>
<b>Changes in equity</b>			
Issue of share capital	40	-	40
Total comprehensive income	-	582,518	582,518
<b>Balance at 31 March 2020</b>	<u>2,080</u>	<u>1,584,670</u>	<u>1,586,750</u>

The notes form part of these financial statements

## OLDHAM COMMUNITY LEISURE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

#### 1. STATUTORY INFORMATION

Oldham Community Leisure Limited (“The Company”) is a community benefit society registered in England and Wales. The society's registered number and registered office address can be found on the Society Information page.

Oldham Community Leisure Limited controls Wellbeing Leisure, a charity registered in England and Wales (“The Group”).

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the society management to exercise judgement in applying the society's accounting policies.

The following principal accounting policies have been applied:

##### **Basis of consolidation**

The consolidated financial statements present the results of the group as it formed a single entity. Intercompany transactions and balances between group entities are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. Control is gained through Oldham Community Leisure Limited being the sole member of Wellbeing Leisure Limited.

##### **Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The group has transferred the significant risks and rewards of ownership to the buyer
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective over the goods sold
- The amount of revenue can be measured reliably
- It is probable that the society will receive the consideration due under the transaction
- The costs incurred or to be incurred in respect of the transaction can be measured reliably



## OLDHAM COMMUNITY LEISURE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2019

#### 2. ACCOUNTING POLICIES (continued)

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all the following conditions are satisfied:

- The amount of revenue can be measured reliably
- It is probable that the group will receive the consideration due under the contract
- The costs incurred or to be incurred in respect of the contract can be measured reliably

##### Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The periods amortised over are as follows:

Computer software - 5 years

##### Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date, the group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined, which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	- 10% straight line
Plant and machinery	- 10-20% straight line
Computer equipment	- 20% straight line

The de-minimus capital expenditure level is £500.

## OLDHAM COMMUNITY LEISURE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2020

#### 2. ACCOUNTING POLICIES (continued)

##### **Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the income and expenditure account over the expected useful lives of the assets concerned. Other grants are credited to the income and expenditure account as the related expenditure is incurred.

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment cost is recognised immediately in profit or loss.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

##### **Financial Instruments**

The following assets and liabilities are classified as financial instruments; investment in subsidiaries, trade debtors, amounts owed by group undertakings, other debtors, trade creditors, hire purchase contracts, other creditors and invoice discounting loans.

Investments in subsidiaries are measured at cost less impairment

Hire purchase contracts and loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Trade debtors, trade creditors and amounts owed by group undertakings are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets are assessed at the end of the reporting period for objective evidence of impairment, and if applicable, is recognised as appropriate.

##### **Pension costs and other post-retirement benefits**

The Group operates three defined contribution pension schemes. Contributions to the schemes are charged to the income and expenditure account in the period to which they relate.

**OLDHAM COMMUNITY LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2020**

**2. ACCOUNTING POLICIES – continued**

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

**Cash and cash equivalents**

Cash is represented by cash in hand deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**Creditors**

Short term creditors are measured at their transaction price. Other financial liabilities, including loans are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

**Interest income**

Interest income is recognised in the income and expenditure account using the effective interest method.

**Borrowing costs**

All borrowing costs are recognised in the income and expenditure account in the period in which they are incurred.

**Taxation**

As from May 2012, the Society obtained charitable status for tax purposes and is therefore exempt from taxation in respect of its relevant operating activities.

## OLDHAM COMMUNITY LEISURE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2020

#### Going concern

In April 2013, Oldham Metropolitan Borough Council agreed a ten year Leisure Management Contract with the option to extend for a further five years. The members of the Board consider that the society will continue to operate within the available facilities for the foreseeable future. Therefore, the board consider it appropriate to prepare the financial statements on a going concern basis subject to the uncertainties detailed below.

On 20th March 2020, the government closed all non essential businesses due to the COVID 19 worldwide pandemic. Hence, all sites were closed on this day.

The sites remained closed until 25 July 2020 when the government gave permission for gyms and leisure centres to reopen, albeit under tight restrictions. The restrictions included reduced member numbers in the gym at any one time. This is to ensure social distancing is upheld.

During the period of closure, the Society took advantage of any assistance that was on offer to them from the government. This was largely the Coronavirus Job Retention Scheme grant. The Society is working on strategies to reduce costs.

The Society also approached Oldham Metropolitan Borough Council for additional support. The Council has offered support, of a specified amount, available for use in the period up to 31 March 2021.

There is uncertainty affecting many sectors of the economy and Leisure Centres and Gyms are one of those sectors. The government are continually updating guidance with regard to restrictions, both locally and nationally. as they attempt to control the virus whilst keeping the economy open. Many of the centres are located in areas where there have been local spikes in the number of COVID 19 cases. Hence, the Society will have to react to any further restriction or closures imposed on their sector.

The effect of the pandemic on their member numbers and future operations is uncertain at this time. A high proportion of members have been retained but there has been no growth. Assessing member attitudes towards the risks imposed by the pandemic is difficult

The Council support has been based on forecasts of losses incurred due to COVID 19 restrictions. However, forecasting the future, whilst facing so much uncertainty, in itself brings uncertainty as to the sufficiency of the Council Support.

Wellbeing Leisure's accounts are consolidated in Oldham Community Leisure Limited's Group Accounts and, with cross guarantees in place for liabilities within Wellbeing forming a material part of those accounts, the ability of Wellbeing to continue operating is relevant to these accounts.

The trustees of Wellbeing Leisure consider the charity will continue to operate within its available facilities for the foreseeable future with the support of the parent company, Oldham Community Leisure Limited. Therefore, the members consider it appropriate to prepare the financial statements on a going concern basis subject to the uncertainties affecting the parent company above.

Wellbeing Leisure was also affected by the closures imposed by the Government. The centre was closed and opened on the same date as Oldham Community Leisure Limited. Since reopening, under the restrictions, Wellbeing Leisure has maintained their member numbers.

Wellbeing is subject to the uncertainties regarding further, future restrictions and effects of the pandemic on members, stated above, in their own right and indirectly by the uncertainty surrounding Oldham Community Leisure Limited and their ability to provide continued future support.

## OLDHAM COMMUNITY LEISURE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2020

#### 2. ACCOUNTING POLICIES - continued

##### **Judgements in applying accounting policies and key sources of uncertainty**

In preparing these financial statements, the members of the board have had to make the following judgements.

##### **Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and their 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.

##### **Intangible assets**

Intangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and their 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.

##### **Bad debt provision**

The group establishes a provision for receivables that are estimated not to be recoverable. When assessing the recoverability, the members of the board consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

**OLDHAM COMMUNITY LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	31/3/20	31/3/19
	£	£
Management Fee	254,645	250,559
Membership income	3,564,456	3,570,057
Sale of goods	273,910	268,471
Provision of services	2,941,134	2,525,216
Other income	43,162	1,066
	<u>7,077,307</u>	<u>6,615,369</u>

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 282 (2019 – 279).

	31/3/20	31/3/19
	£	£
Directors' remuneration	<u>186,907</u>	<u>204,292</u>

There were no expenses paid to Trustees for the year ended 31 March 2020 or for the year ended 31 March 2019.

With the exception of the Chief Executive, whose role is ex officio on the Board, the Directors remuneration is not intended to be remuneration solely for being a Director, but reflects the remuneration to staff employed in substantive roles and are staff representatives on the Board.

**5. OPERATING PROFIT**

The operating loss is stated after charging:

	31/3/20	31/3/19
	£	£
Depreciation - owned assets	269,966	225,430
Computer software amortisation	16,296	16,297
Auditors' remuneration	<u>16,396</u>	<u>8,059</u>

## OLDHAM COMMUNITY LEISURE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2020

#### 6. PRIOR YEAR ADJUSTMENT

Certain assets with an original cost amounting to £177,532, held under hire purchase agreements, have been reclassified as plant and machinery rather than as improvements to property. There was no impact on the net asset value of the charity.

#### 7. SUBSIDIARY COMPANY

The Society has a subsidiary charitable company, Wellbeing Leisure. As Wellbeing Leisure is a company limited by guarantee and thus without share capital, there is no investment shown in the Society's financial statements in terms of share capital.

The results of Wellbeing Leisure have been incorporated into these consolidated financial statements on the basis detailed in note 2.

The results of the subsidiary for the year ended 31 March 2020 are as follows:

	31/3/20 £	31/3/19 £
Income	489,283	452,128
Expenses	749,382	743,216
	-----	-----
Deficit	(260,099)	(291,088)
	=====	=====

**OLDHAM COMMUNITY LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2020**

**8. INTANGIBLE FIXED ASSETS**

<b>GROUP</b>	Computer software £
<b>COST</b>	
At 1 April 2019	81,481
Additions	<u>-</u>
At 31 March 2020	<u>81,481</u>
<b>AMORTISATION</b>	
At 1 April 2019	57,470
Amortisation for year	<u>16,296</u>
At 31 March 2020	<u>73,766</u>
<b>NET BOOK VALUE</b>	
At 31 March 2020	<u>7,715</u>
At 31 March 2019	<u>24,011</u>
<b>SOCIETY</b>	Computer software £
<b>COST</b>	
At 1 April 2019 and 31 March 2020	<u>68,897</u>
<b>AMORTISATION</b>	
At 1 April 2019	49,919
Amortisation for year	<u>13,779</u>
At 31 March 2020	<u>63,698</u>
<b>NET BOOK VALUE</b>	
At 31 March 2020	<u>5,199</u>
At 31 March 2019	<u>18,978</u>



**OLDHAM COMMUNITY LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2020**

**9. TANGIBLE FIXED ASSETS**

<b>GROUP</b>	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2019	652,837	825,564	3,295	1,481,696
Additions	68,884	191,492	-	260,376
Disposals	-	-	-	-
At 31 March 2020	<u>721,721</u>	<u>1,017,056</u>	<u>3,295</u>	<u>1,742,072</u>
<b>DEPRECIATION</b>				
At 1 April 2019	284,923	489,930	2,142	776,995
Charge for year	82,506	186,306	1,153	269,965
Eliminated on disposal	-	-	-	-
At 31 March 2020	<u>367,429</u>	<u>676,236</u>	<u>3,295</u>	<u>1,046,960</u>
<b>NET BOOK VALUE</b>				
At 31 March 2020	<u>354,292</u>	<u>340,820</u>	<u>-</u>	<u>695,112</u>
At 31 March 2019	<u>367,914</u>	<u>335,634</u>	<u>1,153</u>	<u>704,701</u>

Fixed assets, included in the above, which are held under finance leases are as follows:

	Improvements to property £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 April 2019	71,136	689,416	760,552
Additions	-	171,729	171,729
At 31 March 2020	<u>71,136</u>	<u>1,085,942</u>	<u>1,742,072</u>
<b>DEPRECIATION</b>			
At 1 April 2019	21,341	413,650	434,991
Charge for year	7,114	171,991	179,105
At 31 March 2020	<u>21,341</u>	<u>413,650</u>	<u>434,991</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>42,681</u>	<u>275,504</u>	<u>318,185</u>
At 31 March 2019	<u>49,795</u>	<u>275,766</u>	<u>325,561</u>

**OLDHAM COMMUNITY LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2020**

**9. TANGIBLE FIXED ASSETS - continued**

**SOCIETY**

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2019	296,910	88,739	3,295	388,944
Additions	<u>68,894</u>	<u>191,492</u>	-	<u>260,376</u>
At 31 March 2020	<u>365,804</u>	<u>280,231</u>	<u>3,295</u>	<u>649,320</u>
<b>DEPRECIATION</b>				
At 1 April 2019	178,145	49,618	2,142	229,905
Charge for year	<u>46,914</u>	<u>38,942</u>	<u>1,153</u>	<u>87,009</u>
At 31 March 2020	<u>225,059</u>	<u>88,560</u>	<u>3,295</u>	<u>316,914</u>
<b>NET BOOK VALUE</b>				
At 31 March 2020	<u>140,735</u>	<u>191,671</u>	-	<u>332,406</u>
At 31 March 2019	<u>118,765</u>	<u>39,121</u>	<u>1,153</u>	<u>159,039</u>

<b>10. STOCKS</b>	Group 31/3/20	Group 31/3/19	Society 31/3/20 £	Society 31/3/19 £
Consumables	23,531	30,765	23,531	30,124
Resaleable	<u>7,064</u>	<u>7,064</u>	<u>7,064</u>	<u>7,064</u>
	<u>30,595</u>	<u>37,829</u>	<u>30,595</u>	<u>37,188</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 31/3/20 £	Group 31/3/19 £	Society 31/3/20 £	Society 31/3/19 £
Trade debtors	312,018	209,779	312,018	209,779
Amounts owed by group undertakings	-	-	1,075,054	812,423
Prepayments and other debtors	<u>338,602</u>	<u>156,395</u>	<u>298,323</u>	<u>103,127</u>
	<u>650,620</u>	<u>366,174</u>	<u>1,685,395</u>	<u>1,125,329</u>

**OLDHAM COMMUNITY LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2020**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 31/3/20 £	Group 31/3/19 £	Society 31/3/20 £	Society 31/3/19 £
Trade creditors	337,894	428,455	332,342	417,436
Social security and other taxes	91,917	70,905	91,917	70,905
Accruals and deferred income	671,820	495,133	572,860	439,001
Loans (see note 14)	56,028	93,974	-	-
Finance leases (see note 15)	<u>186,366</u>	<u>152,110</u>	<u>34,256</u>	<u>-</u>
	<u>1,344,025</u>	<u>1,240,577</u>	<u>1,031,375</u>	<u>927,342</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group 31/3/20 £	Group 31/3/19 £	Society 31/3/20 £	Society 31/3/19 £
Loans (see note 14)	245,152	292,809	-	-
Finance leases (see note 15)	<u>117,041</u>	<u>152,041</u>	<u>117,041</u>	<u>-</u>
	<u>362,193</u>	<u>444,850</u>	<u>117,041</u>	<u>-</u>

**14. LOANS**

An analysis of the maturity of loans is given below:

	Group 31/3/20 £	Group 31/3/19 £	Society 31/3/20 £	Society 31/3/19 £
Amounts falling due within one year on demand:				
Other loans	<u>56,028</u>	<u>93,974</u>	<u>-</u>	<u>-</u>
Amounts falling between one and two years:				
Other loans -- 1-2 years	<u>96,674</u>	<u>95,766</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:				
Other loans -- 2-5 years	<u>148,478</u>	<u>197,043</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable by instalments:				
Other loans more than 5 years by instalment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**OLDHAM COMMUNITY LEISURE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2020**

**15. LEASING AGREEMENTS**

Finance Leases	Group 31/3/20 £	Group 31/3/19 £	Society 31/3/20 £	Society 31/3/19 £
Net obligations repayable:				
Within one year	186,366	152,110	36,503	-
Between one and five years	<u>117,044</u>	<u>152,041</u>	<u>124,719</u>	<u>-</u>
	<u>303,407</u>	<u>304,151</u>	<u>161,222</u>	<u>-</u>

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group 31/3/20 £	Group 31/3/19 £	Society 31/3/20 £	Society 31/3/19 £
	3,934	7,722	3,934	7,722
	<u>2,033</u>	<u>3,218</u>	<u>2,033</u>	<u>3,218</u>
	<u>5,967</u>	<u>10,940</u>	<u>5,967</u>	<u>10,940</u>

**16. FINANCIAL INSTRUMENTS**

	31/3/20 £ Group	31/3/19 £ Group	31/3/20 £ Society	31/3/19 £ Society
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>312,018</u>	<u>209,779</u>	<u>1,387,072</u>	<u>1,022,202</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(337,894)</u>	<u>(428,455)</u>	<u>(332,342)</u>	<u>(417,436)</u>

Financial assets measured at amortised cost comprise trade debtors and intercompany debtors.

Financial liabilities measured at amortised cost comprise trade creditors

**17. CONTINGENT LIABILITIES**

A loan of £301,180 (2019: £386,783) to Wellbeing Leisure from Oldham Metropolitan Borough Council is guaranteed by Oldham Community Leisure Limited.

Leasing commitments of £152,110 (2019: £304,150) entered into by Wellbeing Leisure have been guaranteed by Oldham Community Leisure Limited.

**18. MEMBERS' LIABILITY**

In the event of the Society being wound up the liability of the members is limited to any amount remaining unpaid on the member's single share.

## **OLDHAM COMMUNITY LEISURE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2019**

#### **19. SECURITY**

The bank loans and overdrafts of Oldham Community Leisure Limited are secured by way of a debenture charge over the society's assets to National Westminster Bank PLC.

The financial leases of the Group are secured against the specific assets to which the agreement relates.

#### **20. PENSION COMMITMENTS**

Oldham Community Leisure Limited (OCL) operates a pension scheme pooled with Oldham Council who are an admitted body to the Greater Manchester Pension Fund (GMPF). This scheme is a funded, defined benefit scheme. Contributions are charged in the Statement of Financial Activities as they accrue. The contributions not paid over to the scheme administrator at the year-end were £Nil (2019:£3,284) and are included in creditors and represent adjustments for maternity and armed forces adjustments, the main contribution for the month of March 2019 for employer and employee pension costs were paid in the month.

The OCL employees who opted to join the scheme prior to its closure are members of the GMPF scheme, which is, in its own right, a scheme of significant size.

Tameside MBC administer the GMPF scheme after taking advice from the scheme actuaries Hymen Robertson and does so predominantly on behalf of the Local Authorities of the Greater Manchester area, but this scheme now includes a substantial number of other independent entities that are not directly part of Local Government. The pension contributions made to the GMPF scheme by OCL and its employees represent only a small part of a significantly larger pension scheme. As such OCL has accounted for the contributions to the scheme as if it were a defined contribution scheme. This treatment is prescribed by FRS102, under the provisions of multi-employer schemes. The underlying assets and liabilities relating to OCL are not readily identifiable to OCL and therefore the deficit or surplus relating to the employer is not known at the date of approving the accounts.

The Actuaries constantly review the position and contribution levels are revised as appropriate but under OCL's contract with Oldham Council (under which GMPF scheme members are employed and which is closed to new members) the liability for additional employer contribution levels is capped at 17% with any excess being refunded annually by Oldham Council. This actuarial review process will mitigate the value of any potential liabilities and the refunding of any employer costs over the cap level will effectively make the Council liable to fund any deficit that might arise mitigating any implications of increased contribution costs to OCL to fund any such liability.

Additionally, the revised agreement states that "the liabilities and (if applicable) any share of surplus of the Employing Body in respect of the Eligible Employees are to be treated from the date of termination as if they were liabilities or surplus attributable to employees of the Guarantor."

In considering these factors it is felt by the Board that the appropriate treatment of the GMPF scheme is as a defined contribution scheme where the costs are charged to revenue as incurred.

The most recent triennial review of the scheme was using data to March 2016 published in March 2017 and as a result the employer's contribution rate to the scheme paid by OCL was revised to 20.6%. The next triennial review is scheduled for publication in 2020.

