

REGISTERED NUMBER: IP29372R (England and Wales)

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
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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FOR THE YEAR ENDED 31 MARCH 2021**

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OLDHAM COMMUNITY LEISURE LIMITED

**SOCIETY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

DIRECTORS:

K Wheelton
N Harrison
S Lockwood
J Smallwood
C Murray
Z Chauhan
D Whaley
S McDonnell
C Gloster
N Hewitt
R Holloway
S Slater

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 2021

Every organisation and individual will have their own story to tell regarding the Covid-19 period and we are no different. From the outset it is worth relaying the enormous pride I have felt of being involved, if only remotely, with the team at Oldham Community Leisure Limited. Not only did the team enthusiastically respond to the various levels of local and national government restrictions in providing opportunities for people in Oldham to be active at home, in the car park or socially distanced in the facilities. They also played their part in the wider emergency response efforts to serve the people of the Borough as part of the co-ordinated efforts of the council, health bodies and voluntary organisations.

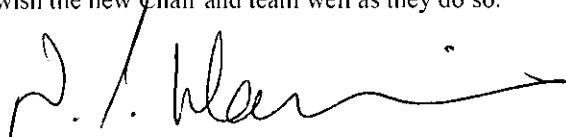
Inevitably there has been a cost, with our regular customer income being devastated. We have made best use of the government's financial aid aligned to the support provided by Oldham Council. Since the start of our contract we and the council have collectively developed a mature, trusting and pragmatic relationship which has bode us well in being able to provide high quality services to our residents. And again this has stood us in great stead over the last year in ensuring we are able to continue to play our part in supporting people to be active. I am confident this will continue throughout the next few years which inevitably will be financially testing. Despite the turbulent year it is especially pleasing to be able to record, through this report, effectively a break-even position for the year.

It is pleasing to report that we have now been able to fully open all our facilities with customer retention rates higher than we originally envisaged and I know the team is working hard to keep this going.

On a personal note this has been my last year as Chair following 10 years in the role; good governance practice we have adopted means it is time for a new person to take on the role. I cannot thank enough our committed voluntary Board members over the years who have given their expertise, time, emotion and energy into playing their part in providing effective governance that is crucial to every organisation. Over the same time period I have worked alongside a fantastic, nationally respected Chief Executive in Stuart who has formed such a strong management team. Most importantly though I have been especially proud to have been a small part of the wider teams in our facilities who, having experienced their service in my weekly swims, are hugely committed to providing the best experience it can be for all our customers.

It has obviously been a difficult year, but we recognise it has been for everyone and, through the sheer hard work of our team and the support of our partners, as an organisation, we have fared well. We are now ready and keen to play our part in the Borough's recovery and renewal in supporting people's physical and mental health through being physically active.

I wish the new Chair and team well as they do so.



Nigel Harrison
Chair OCL

OLDHAM COMMUNITY LEISURE LIMITED

CHIEF EXECUTIVE'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

As we closed off the previous year's accounts we were managing the sudden and devastating impact of the Covid-19 pandemic with little idea about how long the closures would last. This entire financial year has been about crisis management through a worldwide pandemic and doing everything possible to protect the business, look after the staff and customers, and also to play our part in supporting the Council and other colleagues to minimise the wide-ranging impact of the virus on our communities across Oldham.

As a business that generates circa 95% of turnover from customer receipts, the enforced closures and partial lockdown events imposed on us has clearly had a massive impact. Significant financial support from Oldham Council, along with the Coronavirus Job Retention Scheme payments to partially cover wage costs have kept the company afloat and for both we are very grateful. Throughout the year we have strived to remain engaged with our customer base by providing alternative activities, either online exercise classes, or even relocating inside classes to outside spaces, and we have always maintained the principle of maximising opportunities whenever restrictions allow. Memories of Spin and Zumba classes delivered outside, even during rain and snow, will live long in the memory and by going over and above to maintain some sort of offer for customers, we have been able to strengthen that loyalty which should stand us in good stead as we move back to normal over the next 12 months.

Every one of our colleagues have felt the impact of the virus, either directly or indirectly but their flexibility to meet the challenge has been exceptional. Many of our staff have helped support the wider community by volunteering to cook food for the homeless, delivering food and medicines for the elderly and vulnerable and even helped in the re-purposing of our leisure centres as food banks and vaccine testing sites. Not only have our activities been recognised in the national media, but our Council partners have appreciated the company's support which again, only strengthens our partnership with them going forward.

On a positive note, we have agreed in principle to extend our contract with the Council to manage their leisure facilities for an additional 5 year term commencing April 2023 and they have also pledged the availability of additional management fee over the next 12 months to support our transition back to a sustainable level of income as restrictions are lifted. We will manage our own cost base carefully as always and look to continually invest so that our offer to customers remains attractive. Overall, we are confident that we can navigate the challenge and maintain continued growth through this year as we build back to pre-Covid-19 levels of income.

S Lockwood
CEO OCL

OLDHAM COMMUNITY LEISURE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2021

The Board present their report with the financial statements of the society and the group for the year ended 31 March 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2021.

DIRECTORS

The directors during the year under review were:

K Wheelton	
N Harrison	
T Rafique	- resigned 27/3/2021
L Clegg	- resigned 27/9/2020
S Lockwood	
J Smallwood	
C Murray	
Z Chauhan	
D Whaley	
S McDonnell	
C Gloster	
N Hewitt	
R Holloway	- appointed 27/9/2020
S Slater	- appointed 27/9/2020

The directors holding office at 31 March 2021 did not hold any beneficial interest in the issued share capital of the company at 1 April 2020 (or date of appointment if later) or 31 March 2021.

OLDHAM COMMUNITY LEISURE LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021**

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: 9/9/21

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 'parent society') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. 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 groups' and the parent society's affairs as at 31 March 2021 and of 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 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 Board is 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

We have nothing to report in respect of the following matters if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit

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.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to support documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls and evaluating the business rationale of significant transactions outside the normal course of business.

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

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. 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 Section 87 of the Co-operative and Community Benefit Societies Act 2014. 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: 9. September 2021

OLDHAM COMMUNITY LEISURE LIMITED**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

		31/3/21		31/3/20	
	Notes	£	£	£	£
TURNOVER	3		5,642,891		7,077,307
Cost of sales			<u>285,641</u>		<u>558,550</u>
GROSS PROFIT			5,357,250		6,518,757
Administrative expenses			<u>5,479,872</u>		<u>6,141,648</u>
OPERATING PROFIT	5		(122,622)		377,109
Interest receivable and similar income			<u>32</u>		<u>1,324</u>
			(122,590)		378,433
Interest payable and similar expenses		<u>48,334</u>		<u>56,014</u>	
			<u>48,334</u>		<u>56,014</u>
PROFIT BEFORE TAXATION			(170,924)		322,419
Tax on profit			<u>-</u>		<u>-</u>
PROFIT FOR THE FINANCIAL YEAR			<u>(170,924)</u>		<u>322,419</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 2021**

	31/3/21	31/3/20
Notes	£	£
PROFIT FOR THE YEAR	(170,924)	322,419
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	-
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(170,924)	322,419
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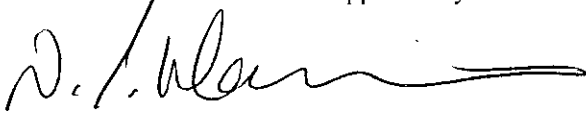
The notes form part of these financial statements

OLDHAM COMMUNITY LEISURE LIMITED (REGISTERED NUMBER: IP29372R)

**CONSOLIDATED BALANCE SHEET
31 MARCH 2021**

		31/3/21		31/3/20	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		7,715
Tangible assets	9		<u>416,319</u>		<u>695,112</u>
			416,319		702,827
CURRENT ASSETS					
Stocks	10	22,720		30,595	
Debtors	11	695,954		650,620	
Cash at bank and in hand		<u>619,569</u>		<u>683,217</u>	
		1,338,243		1,364,432	
CREDITORS					
Amounts falling due within one year	12	<u>1,382,848</u>		<u>1,344,025</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>(44,605)</u>		<u>20,407</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			371,714		723,234
CREDITORS					
Amounts falling due after more than one year	13		<u>181,577</u>		<u>362,193</u>
NET ASSETS			<u>190,137</u>		<u>361,041</u>
CAPITAL AND RESERVES					
Called up share capital			2,100		2,080
Retained earnings			<u>188,037</u>		<u>358,961</u>
SHAREHOLDERS' FUNDS			<u>190,137</u>		<u>361,041</u>

The financial statements were approved by the board on 9 September 2021 and were signed on its behalf by:



.....
N Harrison – Director



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

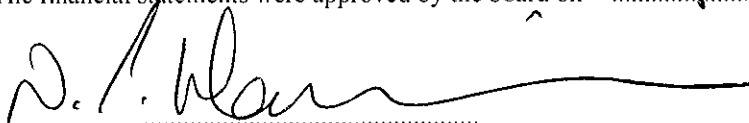
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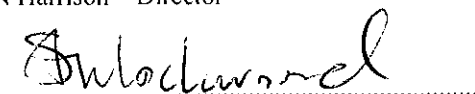
SOCIETY BALANCE SHEET
31 MARCH 2021

		31/3/21		31/3/20	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		5,199
Tangible assets	9		<u>238,355</u>		<u>332,406</u>
			238,355		337,605
CURRENT ASSETS					
Stocks	10	22,720		30,595	
Debtors	11	2,134,754		1,685,395	
Cash at bank and in hand		<u>612,524</u>		<u>681,571</u>	
		2,769,998		2,397,561	
CREDITORS					
Amounts falling due within one year	12	<u>1,188,596</u>		<u>1,031,375</u>	
NET CURRENT ASSETS			<u>1,581,402</u>		<u>1,366,186</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,819,757		1,703,791
CREDITORS					
Amounts falling due after more than one year	13		<u>82,785</u>		<u>117,041</u>
TOTAL ASSETS			<u>1,736,972</u>		<u>1,586,750</u>
CAPITAL AND RESERVES					
Called up share capital			2,100		2,080
Retained earnings			<u>1,734,872</u>		<u>1,584,670</u>
SHAREHOLDERS' FUNDS			<u>1,736,972</u>		<u>1,586,750</u>

The financial statements were approved by the board on 9 September 2021 and were signed on its behalf by:



N Harrison – Director



S Lockwood – Director and Chief Executive

The notes form part of these financial statements

OLDHAM COMMUNITY LEISURE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	2,040	36,542	38,582
Changes in equity			
Issue of share capital	40	-	40
Total comprehensive income	<u>-</u>	<u>322,419</u>	<u>322,419</u>
Balance at 31 March 2020	<u>2,080</u>	<u>358,961</u>	<u>361,041</u>
Changes in equity			
Issue of share capital	20	-	20
Total comprehensive income	<u>-</u>	<u>(170,924)</u>	<u>(170,924)</u>
Balance at 31 March 2021	<u>2,100</u>	<u>188,037</u>	<u>190,137</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 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	2,040	1,002,152	1,004,192
Changes in equity			
Issue of share capital	40	-	40
Total comprehensive income	-	582,518	582,518
Balance at 31 March 2020	<u>2,080</u>	<u>1,584,670</u>	<u>1,586,750</u>
Changes in equity			
Issue of share capital	20	-	20
Total comprehensive income	-	150,202	150,202
Balance at 31 March 2021	<u>2,100</u>	<u>1,734,872</u>	<u>1,736,972</u>

The notes form part of these financial statements

OLDHAM COMMUNITY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. STATUTORY INFORMATION

Oldham Community Leisure Limited (“The Society”) is a community benefit society registered in England and Wales, limited by shares. 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 2021

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 2021

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 2021**

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 2021

2. ACCOUNTING POLICIES - continued

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.

Having been closed at varying points of 2020/21 due to the Covid-19 worldwide pandemic OCL resumed operations on 12th April 2021 and has and will continue to open subject to any Government restrictions that may be imposed at any future point.

The Society approached Oldham Metropolitan Borough Council for additional support, which was received as compensation during 2020/21, and a further sum of potentially up to £1m has been earmarked for further support during the 2021/22 financial year.

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 should there be any.

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 and there has been growth from the numbers retained as at April 2021, however there remains uncertainty as to the timescale by when (or indeed if) they will reach pre-pandemic levels.

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, now that substantially all of the financing arrangements have finished, without the need for support of the parent company, Oldham Community Leisure Limited, in the immediate future. However negotiations are taking place that are likely to result in GloGym being either sold or cease to trade during the current financial year but at this point, as it is continuing to trade, it is felt that those accounts should be prepared on a going concern basis.

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

OLDHAM COMMUNITY LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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 2021**

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:

	31/3/21	31/3/20
	£	£
Management Fee	109,083	254,645
Membership income	840,869	3,564,456
Sale of goods	20,880	273,910
Provision of services	4,615,750	2,941,134
Other income	<u>56,309</u>	<u>43,162</u>
	<u>5,642,891</u>	<u>7,077,307</u>

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 263 (2020 – 282).

	31/3/21	31/3/20
	£	£
Directors' remuneration	<u>186,481</u>	<u>186,907</u>

There were no expenses paid to Trustees for the year ended 31 March 2021 or for the year ended 31 March 2020.

Except for 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:

	31/3/21	31/3/20
	£	£
Depreciation - owned assets	99,540	90,860
Depreciation - assets on finance leases	179,254	179,105
Computer software amortisation	7,715	16,296
Auditors' remuneration	<u>15,983</u>	<u>16,396</u>

OLDHAM COMMUNITY LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

6. 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 2021 are as follows:

	31/3/21	31/3/20
	£	£
Income	268,491	489,283
Expenses	589,616	749,382
	<hr/>	<hr/>
Deficit	(321,125)	(260,099)
	<hr/> <hr/>	<hr/> <hr/>

OLDHAM COMMUNITY LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

7. INTANGIBLE FIXED ASSETS

GROUP	Computer software £
COST	
At 1 April 2020	81,481
Additions	<u>-</u>
At 31 March 2021	<u>81,481</u>
AMORTISATION	
At 1 April 2020	73,766
Amortisation for year	<u>7,715</u>
At 31 March 2021	<u>81,481</u>
NET BOOK VALUE	
At 31 March 2021	<u><u>-</u></u>
At 31 March 2020	<u><u>7,715</u></u>
SOCIETY	Computer software £
COST	
At 1 April 2020 and 31 March 2021	<u>68,897</u>
AMORTISATION	
At 1 April 2020	63,698
Amortisation for year	<u>5,199</u>
At 31 March 2021	<u>68,897</u>
NET BOOK VALUE	
At 31 March 2021	<u><u>-</u></u>
At 31 March 2020	<u><u>5,199</u></u>

OLDHAM COMMUNITY LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

8. TANGIBLE FIXED ASSETS

GROUP	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 April 2020	721,721	1,017,056	3,295	1,742,072
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	<u>721,721</u>	<u>1,017,056</u>	<u>3,295</u>	<u>1,742,072</u>
DEPRECIATION				
At 1 April 2020	367,429	676,236	3,295	1,046,960
Charge for year	82,505	196,289	-	278,794
Eliminated on disposal	-	-	-	-
At 31 March 2021	<u>449,934</u>	<u>872,525</u>	<u>3,295</u>	<u>1,325,754</u>
NET BOOK VALUE				
At 31 March 2021	<u>271,787</u>	<u>144,531</u>	-	<u>416,318</u>
At 31 March 2020	<u>354,292</u>	<u>340,820</u>	-	<u>695,112</u>

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

	Improvements to property £	Plant and machinery £	Totals £
COST			
At 1 April 2020	71,136	861,145	932,281
Additions	-	-	-
At 31 March 2021	<u>71,136</u>	<u>861,145</u>	<u>932,281</u>
DEPRECIATION			
At 1 April 2020	28,455	571,519	599,974
Charge for year	7,114	172,140	179,254
At 31 March 2021	<u>35,569</u>	<u>743,659</u>	<u>779,228</u>
NET BOOK VALUE			
At 31 March 2021	<u>35,567</u>	<u>117,486</u>	<u>153,053</u>
At 31 March 2020	<u>42,681</u>	<u>289,626</u>	<u>332,307</u>

OLDHAM COMMUNITY LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

8. TANGIBLE FIXED ASSETS - continued

SOCIETY

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 April 2020	365,794	280,231	3,295	649,320
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>365,794</u>	<u>280,231</u>	<u>3,295</u>	<u>649,320</u>
DEPRECIATION				
At 1 April 2020	225,059	88,560	3,295	316,914
Charge for year	<u>46,911</u>	<u>47,140</u>	<u>-</u>	<u>94,051</u>
At 31 March 2021	<u>271,970</u>	<u>135,700</u>	<u>3,295</u>	<u>410,965</u>
NET BOOK VALUE				
At 31 March 2021	<u>93,824</u>	<u>144,531</u>	<u>-</u>	<u>238,355</u>
At 31 March 2020	<u>140,735</u>	<u>191,671</u>	<u>-</u>	<u>332,406</u>

9. STOCKS

	Group 31/3/21	Group 31/3/20	Society 31/3/21 £	Society 31/3/20 £
Consumables	10,297	23,531	10,297	23,531
Resaleable	<u>12,423</u>	<u>7,064</u>	<u>12,423</u>	<u>7,064</u>
	<u>22,720</u>	<u>30,595</u>	<u>22,720</u>	<u>30,595</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31/3/21 £	Group 31/3/20 £	Society 31/3/21 £	Society 31/3/20 £
Trade debtors	404,428	312,018	404,428	312,018
Amounts owed by group undertakings	-	-	1,438,799	1,075,054
Prepayments and other debtors	<u>291,527</u>	<u>338,602</u>	<u>291,527</u>	<u>298,323</u>
	<u>695,955</u>	<u>650,620</u>	<u>2,134,754</u>	<u>1,685,395</u>

OLDHAM COMMUNITY LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31/3/21 £	Group 31/3/20 £	Society 31/3/21 £	Society 31/3/20 £
Trade creditors	178,129	337,894	165,130	332,342
Social security and other taxes	-	91,917	-	91,917
Accruals and deferred income	1,072,872	671,820	989,210	572,860
Loans (see note 13)	97,591	56,028	-	-
Finance leases (see note 14)	<u>34,256</u>	<u>186,366</u>	<u>34,256</u>	<u>34,256</u>
	<u>1,382,848</u>	<u>1,344,025</u>	<u>1,188,596</u>	<u>1,031,375</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 31/3/21 £	Group 31/3/20 £	Society 31/3/21 £	Society 31/3/20 £
Loans (see note 13)	98,792	245,152	-	-
Finance leases (see note 14)	<u>82,785</u>	<u>117,041</u>	<u>82,785</u>	<u>117,041</u>
	<u>181,577</u>	<u>362,193</u>	<u>82,785</u>	<u>117,041</u>

13. LOANS

An analysis of the maturity of loans is given below:

	Group 31/3/21 £	Group 31/3/20 £	Society 31/3/21 £	Society 31/3/20 £
Amounts falling due within one year on demand: Other loans	<u>97,591</u>	<u>56,028</u>	<u>-</u>	<u>-</u>
Amounts falling between one and two years: Other loans – 1-2 years	<u>98,792</u>	<u>96,674</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years: Other loans – 2-5 years	<u>-</u>	<u>148,478</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 2021**

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Group 31/3/21 £	Group 31/3/20 £	Society 31/3/21 £	Society 31/3/20 £
Gross obligations repayable:				
Within one year	36,503	188,613	36,503	36,503
Between one and five years	<u>88,216</u>	<u>124,719</u>	<u>88,216</u>	<u>124,719</u>
	<u>124,719</u>	<u>313,332</u>	<u>124,719</u>	<u>161,222</u>

	Group 31/3/21 £	Group 31/3/20 £	Society 31/3/21 £	Society 31/3/20 £
Finance charges repayable:				
Within one year	2,247	2,247	2,247	2,247
Between one and five years	<u>5,431</u>	<u>7,678</u>	<u>5,431</u>	<u>7,678</u>
	<u>7,678</u>	<u>9,925</u>	<u>7,678</u>	<u>9,925</u>

	Group 31/3/21 £	Group 31/3/20 £	Society 31/3/21 £	Society 31/3/20 £
Net obligations repayable:				
Within one year	34,256	186,366	34,256	34,256
Between one and five years	<u>82,785</u>	<u>117,041</u>	<u>82,785</u>	<u>117,041</u>
	<u>117,041</u>	<u>303,407</u>	<u>117,041</u>	<u>151,297</u>

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

	Group 31/3/21 £	Group 31/3/20 £	Society 31/3/21 £	Society 31/3/20 £
With one year	-	3,934	-	3,934
Between one and two years	<u>-</u>	<u>2,033</u>	<u>-</u>	<u>2,033</u>
	<u>-</u>	<u>5,967</u>	<u>-</u>	<u>5,967</u>

OLDHAM COMMUNITY LEISURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

15. FINANCIAL INSTRUMENTS

	31/3/21	31/3/20	31/3/21	31/3/20
	£	£	£	£
	Group	Group	Society	Society
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>404,428</u>	<u>312,018</u>	<u>1,843,227</u>	<u>1,387,072</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(178,129)</u>	<u>(337,894)</u>	<u>(165,130)</u>	<u>(332,342)</u>

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

Financial liabilities measured at amortised cost comprise trade creditors

16. CONTINGENT LIABILITIES

A loan of £196,383 (2020: £301,180) to Wellbeing Leisure from Oldham Metropolitan Borough Council is guaranteed by Oldham Community Leisure Limited.

17. 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 2021

18. 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.

19. 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. There were no contributions not paid over to the scheme administrator at the year-end. The main contribution for the month of March 2021 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 2019 published in March 2020 and as a result the employer's contribution rate to the scheme paid by OCL remain unchanged at 20.6%. The next triennial review is scheduled for publication in 2023.

