

REGISTERED SOCIETY NUMBER: IP27793R (England and Wales)  
HMRC CHARITY NUMBER: XR43398

REPORT OF THE COMMITTEE OF MANAGEMENT  
AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
GREENWICH LEISURE LIMITED

WEDNESDAY



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13/07/2022

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COMPANIES HOUSE

McCabe Ford Williams  
Statutory Auditors &  
Chartered Accountants  
Bank Chambers  
1 Central Avenue  
SITTINGBOURNE  
Kent  
ME10 4AE

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FOR THE YEAR ENDED 31 DECEMBER 2021

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## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Committee of Management present their report, with the consolidated financial statements of the Society and its subsidiaries for the year ended 31 December 2021. The Committee of Management have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Society Name**

Greenwich Leisure Limited. Customer facing brand is 'Better'.

##### **Registered Society number**

IP27793R (England and Wales)

##### **HMRC Charity number**

XR43398

##### **Registered office**

Middlegate House  
The Royal Arsenal  
London  
SE18 6SX

##### **Committee of Management**

J M Sesnan (Ex Officio)

A Ritchie

G Kirk

P Brooks (Councillor)

- Reappointed by RBG 25/05/2021

M Perren

E Thoroughgood

J Seale

- Resigned 30/06/2021

K Gaiinda

- Resigned 30/06/2021

C Dean

- Resigned 30/06/2021

W Wardulenska

W Brown

C Roberts

S Tranchell

C Myring

D Hyland (Councillor)

- Resigned 25/05/2021

N Palmer

N Evans

P Shearman

L Perks (Councillor)

- Resigned 25/05/2021

A Kitchen

- Appointed 30/06/2021

E Lewis

- Appointed 30/06/2021

P Slattery (Councillor)

- Appointed by RBG 25/05/2021

R Gediking

- Appointed 30/06/2021

S Bauer (Councillor)

- Appointed by RBG 25/05/2021

##### **Chief Executive**

J M Sesnan

##### **Secretary**

P Donnay

##### **Bankers**

Barclays Bank  
2 Churchill Place  
Canary Wharf  
London, E14 5RB

##### **Auditors**

McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
Sittingbourne,  
Kent, ME10 4AE

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Committee of Management present their report with the financial statements of the Society for the year ended 31 December 2021.

As the pandemic impact continued into 2021, large sections of the report continue to focus on our actions to mitigate the pandemic's impact and ensure GLL remains a going concern. It outlines the strong recovery experienced as the year went on.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

GLL is an Exempt Charity and a Registered Society under the Co-operative and Community Benefit Societies Act 2014. The Society operates for the benefit of the wider communities we serve and does not distribute profit. Any surplus is applied solely to a general reserve for the continuation and development of the Society. No financial dividend is paid out from the income generated by the society or any of the companies in the group structure.

We are a **Charitable Social Enterprise** owned by our staff and founded on our purpose and values to provide a different, fairer and better way of doing business.

**Our purpose** is to improve the physical, mental and social wellbeing of local communities.

GLL was established in 1993 with a portfolio of seven leisure centres in one Partnership. In 2021, the GLL Group directly managed over 400 facilities including leisure centres, play centres, children centres and libraries in partnership with over 60 local councils and other organisations across the length and breadth of the UK.

All charitable trading activities are undertaken directly by GLL with non-charitable activities operated through our wholly owned subsidiary GLL (Trading) Limited. Any surplus made by GLL (Trading) Limited is gift aided back to GLL. This structure is in place to ensure transparency and meet the guidance published by the Charity Commission.

As GLL continues on the road to recovery from the impact of the pandemic, income turnover rose to £236m. It is expected that income will continue to rise in 2022 and return to pre pandemic level in excess of £300m in 2023.

The pandemic impact continued to be felt throughout the year with most facilities closed during the lockdown in January to March with gradual reopening from April to December. As a result, trading income turnover for the year continued to be suppressed to £183m (see note 4). In addition, GLL received £50m of support from various sources to help offset costs and maintain the employment of our workforce. Like 2020, 2021 was an extraordinary year as we continued to fight the impact of the pandemic. It is anticipated that GLL should return to normal operation and turnover levels in 2023. The structure and purpose of GLL remain unchanged.

GLL continues to be acknowledged as the UK's leading and largest charitable social enterprise delivering leisure, health, cultural and community services. We play a vital role in addressing the health and wellbeing of the nation.

We are different from most businesses in our chosen sectors. Different in how we govern, different in our social values and different in our commitment to make the world a better place to live in. We are proud of these differences. They run through all parts of our core business from planning, operation through to our investments.

GLL is governed by a Board of Trustees appointed by the annual general meeting. Our governing document is our rules, first registered in 1993, and last revised and re-registered with the Financial Conduct Authority on the 17th February 2010.

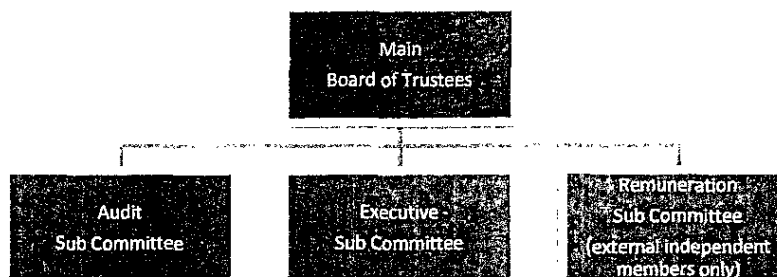
The GLL Board of Trustees has representation from a number of stakeholders including Local Authority members, Independent skilled professionals and significantly, the Workforce. This stakeholder mix has helped create empowerment, enthusiasm and ownership at all levels of the organisation.

In the governing document (our rules), the Board of Trustees is referred to as the "Committee of Management".

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)



The governance structure reporting to the Board includes the:

- Executive Sub Committee for investment and urgent contractual or policy decisions (The Executive Sub Committee consisting of the Chair, Vice Chair, Treasurer, CEO and Secretary has full delegated authority from the Board to act on its behalf as and when necessary).
- Audit Sub Committee responsible for managing GLL's risk register as well as signing off the Financial Statements annually on behalf of the Board.
- Remuneration Sub Committee responsible for the employment and terms and conditions of the chief officers and the general pay and remuneration terms of all employees (No member of staff can sit on this subcommittee. It is constituted wholly by Independent Trustees).

The Board of Trustees reviews and sets the Strategy and Objectives annually in the context of a five year corporate plan. It normally meets quarterly to review progress and consider additional strategy and policy decisions. The Board of Trustees, Chief Officer Group and Directors are in the process of developing our new 5 year plan as we emerge from the pandemic.

GLL operates a risk register to record any potential risk the society may face. The risk register is a working document that is updated on an ongoing basis with mitigating strategies as necessary. The register is reviewed by the Audit Sub Committee as and when appropriate.

Day to day management, delivery of GLL's annual corporate plan is delegated to the Chief Officer Group. The Chief Executive Officer reports to the Board of Trustees and is a full ex officio member of the Board.

At the time of executing this statement, the Chief Officer Group comprised of Mark Sesnan (CEO), Peter Bunday (CEO Designate), Philip Donnay (Deputy CEO & CFRO) and Andy Bindon (Chief Officer for Change and Values).

#### **Recruitment and appointment of new Board Members**

*In exercising its powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Members, the Society Members seek to ensure that the Board is representative of the local community and also comprises persons with a broad range of skills who are likely to contribute to the Society's success.*

#### **Induction and training of new Board Members**

Board Members follow an induction and familiarisation programme as required, and attend development sessions to discuss improvement proposals, which also feature externally facilitated sessions as necessary.

#### **Staff Empowerment**

All eligible staff in GLL are encouraged to join the Society as voting members. This leads to a high level of commitment, empowerment and motivation resulting in an improved quality of service to the community.

**We are more than just a leisure & cultural management company; we are a staff-owned social enterprise that exists to provide both community benefit and improved lives.**

GLL was founded upon core principles of **social value and co-ownership** – where our staff colleagues, business partners and stakeholders work together to produce a better way of providing services and doing business.

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

##### **Remuneration of Key Management Personnel**

The Remuneration Sub Committee (RSC) made up entirely of Independent Trustees is responsible for determining the pay of key management personnel and for setting the annual pay awards for all employees and workers.

In summary:

- the Remuneration Sub Committee takes responsibility (i) for determining both the policy and structure for the chief officers' pay and benefits package, and their pay awards, and (ii) for approving the chief officers' recommendations on the pay awards for other employees and workers;
- the Chief Officer Group is responsible for the pay and benefits packages of all other employees and workers, and for making recommendations to the Remuneration Sub Committee on the annual pay award for all employees and workers other than themselves.

The full Board of Trustees remains responsible for the appointment and termination of the CEO although any termination payment is to be determined by the Remuneration Sub Committee.

In conducting its role, the RSC periodically reviews the remuneration of Chief Officers in line with the development of the Society. Past reviews have included the commissioning of independent surveys to ensure appropriate benchmarking of pay awards.

#### OBJECTIVES AND ACTIVITIES

The objects of the society as published in our rules are:

- (a) to provide or assist in the provision of facilities and services for the public benefit for recreational, sporting or other leisure time occupation in the interests of social welfare, healthy living and education, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services, and /or
- (b) to promote community participation in healthy living, and/or
- (c) to advance the education of the public in the benefits of healthy lifestyles, and /or
- (d) to advance the arts, culture and / or heritage, and / or
- (e) to provide support services relating to the above, and / or
- (f) to provide consultancy and advice to public, sporting and charitable organisations, and / or
- (g) such other charitable purposes beneficial to the community consistent with the objects above as the Trustees shall in their absolute discretion determine.

Since our formation in 1993, GLL has been proud of both our success and our difference in the leisure & cultural sector.

**We are proud that we have always sought to define ourselves by being a leading social enterprise that is staff-owned, charitable and has community benefit at the heart of our mission. We want to be seen as different with our customers, partners and suppliers too and to celebrate our unique approach to partnership and customer experience.**

Even without the pandemic, these are challenging times for our sector with continued economic uncertainty, increased cost of living, less public funding for leisure, sport & culture and increased competition leading to increased pressure on consumer spend and our existing service delivery models.

Our confidence in our expertise and differentiation in the marketplace is key as we continue to build long term partnerships and reengineer our service delivery to become more productive, more efficient and more successful.

As a staff-owned company, employees have always been at the core of our democracy, governance and productivity. We strive to be recognised as the most dynamic staff owned business in the UK and this big ambition needs suitably big commitment from all staff to learn, deliver and improve our services, business success and social impact. Although somewhat restricted during 2021 as pandemic restrictions remained in full force at the start of the year and were only removed slowly over the months, we still delivered great things.

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### OBJECTIVES AND ACTIVITIES (continued)

In 2021, GLL worked in direct Partnership with the following Councils and organisations delivering some of their public services including leisure centres, libraries, play centres and children centres:

- Allerdale Borough Council
- Bath and North East Somerset Council
- Basingstoke and Deane Borough Council (indirect partnership)
- Belfast City Council
- Bridgend County Borough Council
- Cambridge City Council
- Cardiff City Council
- Carlisle City Council
- City of York
- Copeland Borough Council
- Cornwall Council
- Dudley Metropolitan Borough Council
- East Cambridge District Council
- Eden District Council
- Epsom and Ewell Borough Council
- Greater London Assembly
- Henley Town Council
- Lee Valley Regional Park Authority (full partnership delayed to 2022)
- Lincolnshire County Council
- London Legacy Development Corporation
- London Borough of Barnet
- London Borough of Bromley
- London Borough of Camden
- London Borough of Croydon
- London Borough of Ealing
- London Borough of Lambeth
- London Borough of Hackney
- London Borough of Hammersmith & Fulham
- London Borough of Hillingdon
- London Borough of Islington
- London Borough of Lewisham
- London Borough of Merton
- London Borough of Tower Hamlets
- London Borough of Waltham Forest
- London Borough of Wandsworth
- London Playing Fields Foundation
- Manchester City Council
- Manchester Metropolitan University
- Newcastle City Council
- North Kesteven District Council
- Preston City Council
- Prestwood Sport and Leisure Association
- Reading Borough Council
- Reigate and Bansted Borough Council
- Royal Borough of Greenwich
- Royal Borough of Kensington & Chelsea
- Rugby Borough Council
- South Bucks District Council
- South Lakeland District Council
- South Oxfordshire District Council
- Swindon Borough Council

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### OBJECTIVES AND ACTIVITIES (continued)

- Telford and Wrekin Borough Council (ending 2021)
- University of Manchester
- Vale of White Horse District Council
- Welwyn and Hatfield Borough Council
- West Oxfordshire District Council

This **partnership** approach with the various councils and organisations has been a key plank of our success. Each relationship is underpinned by a formal contract and each contract is subject to termination dates and possible tendering for renewal.

In addition, GLL worked in partnership with fellow social enterprises:

**Freedom Leisure Limited** in delivering the services of 6 public leisure centres in the South and South East for the following Councils:

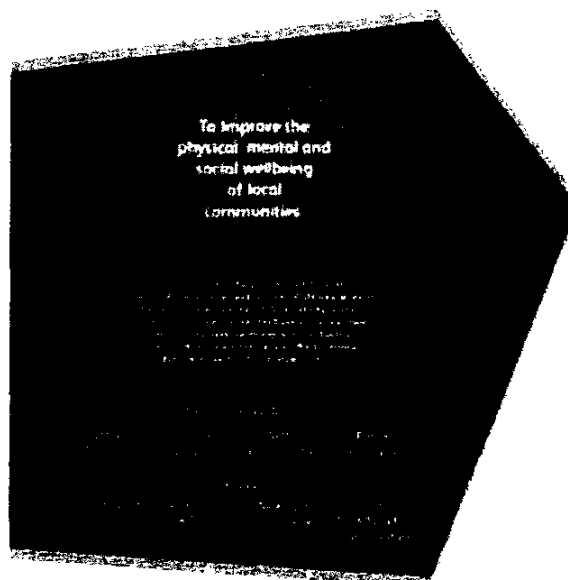
- Guildford Borough Council
- Woking Borough Council

**Halo Leisure Limited** in delivering services in 8 leisure centres for Bridgend County Borough Council.

#### **CORE PURPOSE**

GLL exists **to improve the physical, mental and social wellbeing of local communities**. Working in partnership with over 60 local councils, public agencies and sporting organisations, we provide affordable access to quality community facilities that include leisure centres, swimming pools, lidos, gyms, libraries, theatres, children's centres, playgrounds, nurseries and much more.

We believe GLL is unique and not just because we were the first leisure trust in the UK. As a leading charitable social enterprise that is staff-owned, we are different from other businesses and that is amplified in our 'Four Pillars' – the values that support our core purpose and the guiding principles in delivering for our Partners and Customers:



## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### OBJECTIVES AND ACTIVITIES (continued)

##### **BETTER SERVICE**

###### **Better Choice For All**

We are inclusive. We are for everyone. Our community service and spaces provide the solution to social challenge, by benefitting the whole community, no matter their background. Everyone deserves a place to belong.

##### **BETTER PEOPLE**

###### **More Than A Job**

Our people make us what we are. We are a staff owned organisation, where all Society members have the right to stand for, and elect our board. We are continually working with our people to develop their skills and potential and ensuring we have the skills / knowledge/experience/ behaviours that make us successful.

##### **BETTER COMMUNITIES**

###### **Making A Difference**

We are in the heart of communities, providing a real 'lifelong and lifestyle' offer. When people use our services they are directly giving back to their own communities

##### **BETTER BUSINESS**

###### **Business That Benefits Communities**

We put purpose over profits. That's why we reinvest every penny back into the business to support our social purpose, to develop our people and make our services and spaces better for everyone.

The experiences of 2021 with the pandemic, and the associated economic uncertainty, meant that our strong focus on the customer, enterprise and social purpose provided the basis to navigate the most challenging conditions in our near 30 year history, and move forward with our core purpose more relevant and important than ever before.

##### **Wider Partnerships**

GLL works closely with or seeks to have a relationship with many other partners in addition to our local authority partners, these include:

- The London Mayors office, Greater London Assembly and the London Legacy Development Corporation (LLDC)
- Community Leisure UK (Formerly Sports and Recreation Trusts Association / Sporta)
- The Sector Skills Council, SkillsActive and the National Skills Academy
- Sport England (SE)
- Greenwich, Newham and Hackney Community Colleges
- Social Enterprise Coalition (SE UK)
- UK Active (UKA)
- CIMPSA
- British Swimming / Swim England, Lawn Tennis Association (LTA), British Gymnastics, GB Basketball, British Basketball League, England Basketball, GB Handball, England Netball, Badminton England, Volleyball England, British Fencing, Squash England and other UK Sports Governing Bodies
- Middlesex University and the London Sport Institute (GLL Sport Foundation)
- Cooperatives UK
- Ministry of Housing, Communities and Local Government (MCHLG)
- Department for Digital, Culture, Media & Sport (DCMS)

We aim to support local and central government initiatives that promote the development of services for the benefit of the wider community particularly in the areas of sport, health, culture and physical activity.

*These aims and objectives are delivered through a range of strategies that are listed in GLL's annual and 5 year Corporate Plans. These plans are managed by the Chief Officer Group and reviewed by the Board.*

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### STRATEGIC REPORT

##### ACHIEVEMENTS & PERFORMANCE

2021 was a challenging year across the public sector cultural services as the nation looked to recover from the pandemic, with a gradual easing of COVID restrictions over the course of the year and a steady return of confidence within our communities. We experienced another business wide lock down through the 1st quarter with services and restrictions slowly easing through the remaining quarters. By the end of the year, we had regained around 80% of trade when compared to 2019.

Despite these challenges and coming to terms with a "new normal", we had a number of key achievements throughout the year. Examples include:

##### **2021 Awards**

- Finalist Swimming Pool & Spa Scene Awards – Operator of the Year and Venue of the Year (Hillingdon Lido)
- Runner Up Libraries Connected Awards – Greenwich Football Library
- Runner Up Third sector Awards – Greenwich Football Library
- NatWestSE100 Recognised in top 100 Social Enterprises in the UK
- Runner Up National Social Value Awards 2021

##### **New Partnerships**

- 25 year partnership commenced with Reading Council in July. Pellikaan was appointed as GLL's construction partner and work commenced on the development of two new centres (Palmer Park and Rivermead), under a Design, Build, Operate and Maintain contract
- We secured a 2 year contract extension with our partners, the London Borough of Tower Hamlets 2022-2024
- We secured a 2.5 year contract extension with our partners, City of Cambridge 2023-2025
- We secured a 2 year contract extension with Guildford Borough Council (Freedom Leisure sub-contractor) 2021-2023
- We secured a contract extension with Wandsworth Council - Library Service
- We secured a 5 year contract extension with Lincolnshire Council - Library Services
- We secured an additional 1 year partnership extension awarded for the Healthier Together Hackney scheme

##### **New Centres Opened – we opened the following:**

- Britannia Leisure Centre (Hackney)
- Gunnersbury Sports Hub (Ealing)
- Avoniel Leisure Centre (Belfast)
- Hillingdon Lido relaunched with heated outdoor pool (Hillingdon)

##### **FUNDRAISING**

GLL do not use professional fundraisers in order to raise funds and do not do fundraising activities to further our objectives. All of our income is derived from main sources being sales for use of facilities and management fees. We do get some grants however this is not fundraising. GLL also receive sponsorship from corporate suppliers to support GLL foundations but again this is not deemed to be fundraising.

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### FINANCIAL REVIEW

The results for the year 2021 (January 1st - December 31st) are set out within these consolidated financial statements.

Despite the continued impact from the pandemic and with the help of local authority and central government support, GLL is pleased to be declaring a small surplus of £2.2m and a positive cash inflow from operating activities of £12.5m.

Continued significant support from government and local authority partners as well as bank financing has enabled cash flow to remain strong.

The operating activities were largely suspended for the first quarter of 2021 as full lockdown restrictions were in place. Activities reopened slowly from April. The results show strong recovery to the year end with trading income reaching more than 80% of pre pandemic level which is significantly more than the industry average. We are confident that the strong recovery will continue whilst also accepting that it will take some time to replenish the depleted reserves.

The total income turnover declared for the year is £236m but we expect to return to over £300m income turnover and a marginal surplus in 2022 although we are now facing new challenges in the form of unprecedented utility cost increases and cost of living squeeze.

#### **Cash flow**

GLL's cash flow remains strong.

In 2020, we renewed the £9.75m revolving credit facility as well as setting up a new loan of £10m under the Coronavirus Large Business Interruption Loan Scheme (CLBILS). As at the year end, the RCF was not drawn down and GLL had repaid the social bond finance of £3m.

The cash at bank stood at £33.4m (increase on previous year balance by £2.4m).

Long term creditors reduced from £28.9m to £21.4m in the year to December 2021.

#### **Risk Management**

The Trustees recognise risk management as one of their key responsibilities. The Trustees have adopted a risk management policy from which they have identified potential risks, the likelihood of their occurrence and the potential costs involved. In addition they have identified current practices in place to mitigate the risk and further action that might be necessary to limit that risk. The Board receive quarterly financial information and sufficient commitments are made to cover known liabilities.

However, even with such a policy in place and as reported in 2020, the impact of the Covid 19 pandemic could not be planned for. Although such an event was not initially named on our risk register, extraordinary events were. Our reserves policy ensured our cash position remains at sufficient levels to sustain liquidity in the short term. This has been demonstrated well over the past year. We are now rebuilding the cash reserve to mitigate new future risks.

#### **Reserves Policy and Social funds:**

The Board has considered the risks and opportunities and reviewed the level of cash reserves which it deems prudent to maintain. The funds held were considered adequate for the coming year.

Even though GLL has been hit hard by the pandemic, these funds have proved to be sufficient so far to maintain adequate liquidity and GLL has been able to secure additional funding as necessary.

A strategy, adopted by the Board, had existed to increase the Company's cash reserves and asset portfolio over the coming years to support investment plans and protect the organisation against future risks. GLL will continue to evaluate all opportunities as they arise with an aim to build our asset portfolio over time. Needless to say that the circumstances experienced through 2020 dented GLL's cash reserves significantly. External finance was raised to maintain liquidity and resilience in the short term. Longer term plans include the need to "rebuild" GLL's working capital for the future. Some progress was made in 2021 with significant loan repayments made whilst still increasing the accumulated cash balance.

At 31 December 2021, the group had accumulated cash balance of £33.4m.

In normal circumstances, the Society is in a relatively favourable cash flow position because we receive some of our income in advance of expenditure. The initial lockdown therefore had an adverse effect with expenditure catching up with income receipts. Since re-opening, such benefit has returned.

## **GREENWICH LEISURE LIMITED**

### **REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **FINANCIAL REVIEW (continued)**

##### **Reserves Policy and Social funds (continued)**

The Committee of Management recognise the need for a level of financial reserves that will:

1. Allow for planned investment and other similar purposes;
2. Allow for cyclical maintenance expenditure which the Society has an obligation to incur under various property leases; and
3. Shield the Society from the possibility of adverse unforeseen circumstances.

These unforeseen circumstances include a number of specific events that have been identified in the Society's Risk Register but as mentioned previously, were not specific to the impact of a pandemic.

The Board considered the level of reserves to be appropriate for the Society to be able to deliver services to its beneficiaries. This has been demonstrated of late.

The reserves of the Group and the Society at the period end were as follows:

The Group held fund balances at 31 December 2021 of £(32,644,520) (2020: £(50,073,007)) comprising £72,630 (2020: £183,612) of restricted funds and £22,747,850 (2020: £20,467,381) of unrestricted general funds, which are the Society's free reserves, and a pension reserve deficit of £55,465,000 (2020: £70,724,000). As explained elsewhere in the financial statements it should be noted however that this deficit will not crystallise within the foreseeable future and that the Society follows the advice of the pension schemes actuaries and makes contributions in accordance with the rates advised.

##### **Social Bond Issue**

As reported in the previous year's account, GLL with sustainable bank Triodos successfully raised £5 million of capital funds through a social bond issue in 2013. The bond expired in October 2018 but an offer to extend these investments was offered to all bond holders. £3,114,700 bond investments were extended and the balance redeemed.

The three year bond extension paid 3% gross fixed interest per year.

The bond was fully redeemed in October 2021.

#### **SOCIAL IMPACT & PUBLIC BENEFIT**

The Trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit all be it that the level of activities delivered in the year was, although improving, still seriously diminished because of Covid-19.

We have referred to the Charity Commission general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

GLL remains the UK's largest leisure and cultural charitable social enterprise. We operate over 400 facilities with a diverse workforce of 10,000+. Our inherent social ethos, linked to our charitable objectives, ensures that accessibility, affordability and equality are at the heart of our community provision.

In 2019, prior to the business disruption caused by the Covid-19 pandemic GLL welcomed in excess of 58 million visits to our facilities across our wide range of activities. In 2021, GLL still welcomed 22 million visits to our facilities across our wide range of activities despite the significant impact of the pandemic on the leisure sector.

Visits in 2021 were considerably down on previous years due to the period of time at the start of the year that there was enforced lockdown of centres, lower capacity availability upon reopening along with not all centres, services and activities being available upon restart because of ongoing restrictions.

Throughout the period of closure, certain venues were able to remain open to continue to be able to offer services such as education, childcare and elite sport. During 2021, a number of centres worked closely with their elite user groups and NGB's to ensure access could remain for elite training and competitive programmes and events. Some of these included Manchester Aquatics Centre, Belle Vue Leisure Centre, The National Cycling Centre, London Aquatics Centre and Ten Acres Lane Sports Complex.

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### SOCIAL IMPACT & PUBLIC BENEFIT (continued)

##### **GLL's Primary Activity**

GLL is founded on its purpose and values to provide a different, fairer and better way of doing business. Our purpose is to improve the physical, mental, educational and social wellbeing of local communities.

In a changing world, our aims and aspirations for the future are regularly reviewed and updated to ensure we meet the needs of our Customers and Partners.

- Customers At Our Heart  
We put our customers at the heart of everything we do. We listen and learn to improve our services and customer experience. We are proud of our status as a charitable social enterprise and promote our social enterprise values and commitments to our customers.
- Partners Of Choice  
Our partners understand our values, differences and impact and want to work with us. We aim to be the 'go to' choice for local authorities wanting to improve public health, education, social and wellbeing service outcomes.

We believe GLL is unique and not just because we were the first leisure trust in the UK of our type. Our Four Pillars / Values defined earlier in this report sit at the heart of our business delivery and form the vital DNA that makes us tick and are our guiding principles in delivering for our Customers and Partners.

##### **Social Objectives**

GLL is an employee owned charitable social enterprise. GLL reinvests surpluses to improve the communities we serve, the lives of the people we employ and the facilities we operate. We strive to:

- **Increase participation:** enable opportunities and activities that promote physical health, mental health, wellbeing, personal development and inspire communities to be more active
- **Improve access to services:** reduce inequalities, support diversity, remove barriers to participation, and provide choice for disadvantaged groups
- **Increase Social Value:** increase the social value generated year on year and the average social value generated per customer.
- **Generate Surpluses to reinvest in the communities:**
  - Improve facilities and services,
  - Enable the sustainable delivery of projects and services that the community need and want
  - Provide support and a pathway for young talented athletes
  - Upskill local people and provide pathways to training and employment
  - Provide high quality services and facilities that benefit the local community

There are many ways in which GLL tangibly reinvests back into its communities. Here are examples:

- Concessionary memberships
- Concessionary activity pricing
- Off peak discounted pricing
- Volunteering programmes
- In kind support to individuals, clubs and local community groups
- Club development
- GLL Sport Foundation
- Facility improvements
- Workforce development
- Satellite community delivery programmes

GLL continues to strive to be the best at delivering social impact across all our partnerships. This social delivery is a key ethos of the organisation and a reflection of our commitment to the communities we serve. The following are examples of universal, targeted and specialist service initiatives we provide to engage our communities and improve their health and wellbeing.

- Community programmes
- Diversity & Inclusion Steering Group
- Dedicated family activities and programmes
- Inclusive UK wide membership for people with disabilities

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### SOCIAL IMPACT & PUBLIC BENEFIT (continued)

##### Social Objectives (continued)

- NHS and emergency services subsidised membership
- Schools offer
- Vulnerable children and Carers support
- Healthwise health referral schemes
- Social prescription UK pilot
- Give It A Go 6 week supported health memberships
- 60+ Club Games
- Women Only programming and dedicated facilities
- This Girl Can programmes
- Promoting literacy and national reading events in our libraries

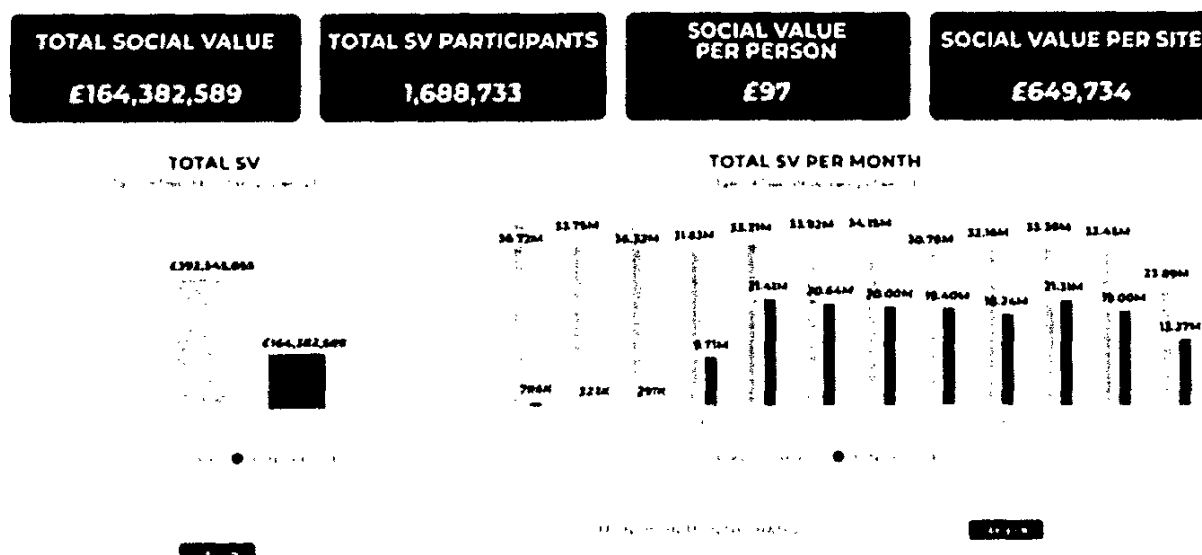
##### Achieving Better Communities

Through the promotion, provision and delivery of quality community services, GLL empower the local communities in which we operate to achieve a better quality of life:

- Improve health and wellbeing by increasing participation
- Reduce inequalities and improve access by investing in services and facilities
- Nurture achievements and performance pathways through high quality services
- Promote learning and development within our services and in our staff

GLL is the UK's leading worker owned leisure & culture charitable social enterprise and delivers social change/social value through its charitable objectives. Our social mission is to make public leisure centres, libraries and children's centres available and accessible to all the community and thus make a positive impact on health and wellbeing.

Demonstrable social change is evident in the provision of local jobs; through support to talented athletes; facilitating access to community crowd funding programmes for local community groups; whilst the drive for increased participation through affordable and accessible offers has produced £164m in Social Value from more than 22 million visits in 2021. A great achievement despite the massive impact of the Covid pandemic that resulted in prolonged centre closures and reduced visitor numbers



## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### SOCIAL IMPACT & PUBLIC BENEFIT (continued)

##### **Achieving Better Communities (continued)**

Use of the DataHub Social Value Calculator helps guide GLL's resource investment and helps us and our clients target inequalities in provision. Sport & Physical and cultural activities are widely recognised as generating social benefits to society and a relationship between sport, physical activity and four categories of Social Value impact can now be reliably evidenced:

- Improved health
- Reduced crime
- Increased educational attainment
- Improved life satisfaction or 'social wellbeing'

Every £1 spent by GLL returns around £2 of Social Value against the four dimensions. Resulting annual Social Value totals £97 generated per participant. As a charitable social enterprise, GLL's Social Value is just as important as its annual turnover and it underpins our ethos and values as well as our Corporate Plan objectives.

Focussing on Social Value means valuing accessibility and affordability for customers – delivering more diverse services, more concessionary pricing and more subsidised activity :-

- 25% of GLL customers benefit from concessionary entry (removing a major barrier to participation)
- Specific demographic activities can be prioritised e.g. 'This Girl Can' & 'Over 65s programmes'
- Targeting harder to reach groups such as those from BAME communities and those from more socially deprived areas is also a priority.

The Social Value Calculator helps GLL to evaluate this participation increase and to target inequality in some of the poorest postcode areas in partnership with our local authority and public health partners. Health inequalities such as CHD, Dementia, Diabetes and Obesity can be measured quantitatively by activity/demography/geography and the evidence base informs and enables performance measurement against goals for targeted interventions ensuring value-for-money investment.

##### **GLL Sport Foundation**

The GLL Sport Foundation supports 3000 athletes in 115 different sports creating £1m of in kind reinvestment across 67 partnerships across England, Northern Ireland and Wales making it the largest independent athlete support programme in the UK. 96% of supported athletes receive no other central funding and 63% of supported athletes are aged under 16 proving we are supporting those that need it most to achieve their sporting potential. 97% of athletes deem the support they receive as essential or extremely useful.

Our supported athletes have given back to GLL and their communities with athletes attending a variety of events to inspire local people. In 2021, GLL Sport Foundation celebrated 13 years over the course of which it has provided over £13m of support, issuing 19,000+ awards to over 10,000 individual athletes across the UK.

#### EMPLOYMENT AND ENGAGEMENT

GLL provides employment for 8,512 people. During the first quarter of 2021, the majority of our employees were furloughed until we reopened the business from March/ April time. As customer confidence improved and restrictions decreased, we were able to open all facilities, offer more services to our customers and hours to employees. Throughout the year, our people have worked with flexibility, agility and passion to provide high standards of customer experience and to achieve the targets set out in our 'restart' phases.

##### **Workforce Engagement**

During this difficult business period, there was a focus on ensuring regular engagement with our people at both a national and local level:

- *Personal letters from the CEO updating on Covid-19, business information and CJRS position*
- The creation of a staff help line, telephone and email address
- Regular updates and support with regard to staff welfare provision
- Ongoing updates, shared stories, staff and team recognition stories on the GLL intranet. Intranet articles were managed by a wider team to ensure diversity of authorship and to balance national and local updates. Intranet usage was unique during 2021, averaged 1,000-2000 visits per day.
- Regional society meetings (virtual and in person), were organised by the Worker Board throughout the year.

## **GREENWICH LEISURE LIMITED**

### **REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **EMPLOYMENT AND ENGAGEMENT (continued)**

##### **Workforce Engagement (continued)**

- Local teams maintained regular and creative virtual ways of staying in contact during the lockdown period and completed in person restart communications days at local facilities. These days improved business understanding, delivered Covid Secure training reminders and reconnected people at a human level with their colleagues.
- Local communications days were held in each facility at the end of the year reflecting back on 2021 achievements, setting the strategic ambitions for call to action for 2022 and generally appreciating and recognising our people contribution throughout a tough business year.
- A survey which looked at people's relationship with work 'post-pandemic' was completed by 601 leisure staff in September 2021 with results that demonstrated good organisation care of our people during the pandemic and areas of focus with regard to the people agenda moving forward.

##### **Location**

We aim to place employees in facilities near to where they live and to have local workforces that represent and are appreciative of the diverse communities they serve. Many of our facilities are in some of the most deprived areas in the UK. We believe that giving employment to those who live locally brings greater wealth and social cohesion to those locations. Our local community sport and people teams have built relationships with many schools and colleges throughout the country, making them aware of the career and training opportunities available at GLL and providing routes to work and work placements.

##### **Routes to work**

Resourcing continued to be a challenge throughout 2021 due to the impact of the labour market crisis and the effect of Brexit on our ability to attract and retain key frontline operational staff. The recruitment function was devolved to managers following a restructure in 2020. Vacancy rates consistently sat at around 14% across the organisation with a benchmark of 10%. A number of strategic interventions were put in place to tackle the recruitment needs including the following:

- Government's Kickstart Programme, working with local Job Centres to engage with the long term unemployed, creating training and employment placements at the end of 2021 and into 2022.
- We created 50 employment and training opportunities in Belfast as part of the new Customer Support Centre.
- As a result of the pandemic, we reviewed our strategy with regard to apprenticeship delivery, moving from an employer provider to a partnership delivery model. In 2021, we agreed to partner Lifetime and built the contractual relationship, resources and infrastructure together ready for the external recruitment of L2 Leisure Team Member apprenticeships in 2022.
- We started discussions with The Prince's Trust to participate in their employability programme

The focus for 2022 continues to be on developing national and local talent strategies to ensure a pipeline of top quality employees that represent GLLs values and to ensure managers have the right resources they need to lead on their local recruitment strategies.

##### **Training and funding for re-skilling and employment**

The focus of Learning and Development in the first 6 months of the year was on essential qualifications and compliance training in order to support the restarting of the business. As part of this, we were able to tap into Industry funding (CIMSPA Retrain) to the value of £28.3k plus additional funding secured in Wales and Belfast. This supported us in retraining, redeploying and multi-skilling the existing workforce and new recruits in essential qualifications such as National Pool Lifeguard, Swimming Teacher Awards and Fitness Instructor qualifications. These were particularly important qualifications needed to support the skills gaps being experienced and exacerbated by the labour market situation.

Training was designed to support the implementation of the new front of house IT system (FLOW) for concierge and managers. To do this, a new Learning Management System, Flex, was introduced to ensure that leisure staff had access to the information and resources to support their learning on one easy to access platform and learning community.

In August 2021, the training plan to support the Aquatics strategy was agreed. The strategy is designed to support a talent pipeline by delivering swim teacher courses in partnership with the STA. This will enable us to grow our swimming courses and lessons programmes across the business and improve access to communities.

A partnership with CILIP, the chartered body for libraries, commenced with a view to deliver 10 GLL specific and specialist CPD training modules for library colleagues. Delivery commenced in March 2022.

## **GREENWICH LEISURE LIMITED**

### **REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **EMPLOYMENT AND ENGAGEMENT (continued)**

##### **Training and funding for re-skilling and employment (continued)**

A strategy for workforce apprenticeships was agreed as part of the partnership with Lifetime as defined above. There are 5 leisure apprenticeship programmes being delivered to support the professional development of our workforce to maximise the use of the apprenticeship levy.

A revised Trainee Manager scheme was discussed and reviewed in preparation for internal and external recruitment in 2022.

Energy training was delivered via Energy champions at the end of 2021, to ensure personal accountability for consumption and good housekeeping and as part of combating the international energy crisis.

#### **Equality, Diversity and Inclusion Policy and implementation plan consultation**

Equality, Diversity and Inclusion is a fundamental part of our ethos as a worker owned charitable social enterprise and is an integrated work stream. It is the golden thread that makes us a wiser, stronger and better organisation.

In 2021, through consultation and collaboration with the worker board, trustees and diverse GLL staff, the EDI replacement policy was drafted. The policy emphasises the moral, cultural and business benefits of Equality, Diversity and Inclusion, in addition to the legal requirements of us as an organisation. It also sets out our vision for how we recruit, develop and retain a diverse and talented workforce. It holds a key focus on the coming years of increasing workforce representation of women and people of ethnic backgrounds, particularly in management roles.

An implementation plan was designed to ensure that the policy is lived in terms of reporting, Governance, recruitment and training interventions, communication and inclusion / involvement. The policy and plan were agreed in January 2022.

#### **Quality Assurance**

GLL holds a Silver status Investors in People Award. Following a successful review meeting, IIP extended this status until July 2022, to allow for business recovery. During 2021, successful external assessments were completed in relation to our delivery of RLSS (Royal Life Saving Society) and STA (Swimming Teachers' Association) courses.

#### **Strategic ambitions for 2022**

At the end of 2021 the worker board and senior team collaborated and consulted to set the strategic ambitions for 2022. The following represent the strategic ambitions for our people, encapsulated in the statement 'More than a job', which reflects our values as a worker owned charitable social enterprise and GLL difference with a focus on employment for local communities, upper quartile industry pay and benefits, learning and development opportunities and career progression. These ambitions set the scene for delivery and implementation in 2022:

- Delivery of the Equality, Diversity and Inclusion implementation plan
- Onboarding review for both recruitment and staff induction
- Management Development Strategy
- Revised trainee Manager Scheme
- Delivery of reviewed apprenticeship programmes
- Extension of GLL contracts strategy giving a choice to all workers as to how they want to engage with us
- Resourcing and recruitment strategies to meet labour market needs
- Strategy to support the development of the concierge role and staff multi skilling strategy
- Pay award review and achieve the Real Living Wage strategy (following the implementation of the April 2022 pay award, we are now in a position to apply for the Real Living Wage accreditation. This is a huge milestone).

#### **GLL's "GREEN AGENDA"**

GLL takes its responsibility about the environment very seriously. To this aim, each year we strive to reduce energy consumption and our impact on the environment through investment into proven and new technologies and the adoption of best practices.

As a leading social enterprise, GLL have an active role in the challenge against climate change and we know how important it is to work with our partners to manage our impact on the environment and support and engage with the move towards a Zero Carbon Future.

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### GLL's "GREEN AGENDA" (continued)

Energy and water are vital for the delivery of our services and represent a significant proportion of our operating costs. Climate change, potential water shortages and rapidly rising energy costs make it even more important for us to increase our sustainability through controlling resource consumption and reducing waste.

In 2021, GLL continued our work on key environmental objectives through the delivery of our Strategic Action Plan as well as the corporate plan. The key principles of reducing carbon emissions and energy use remain core agenda items. Similarly to 2020, the obvious impact of the pandemic and subsequent enforced closures has delayed progress on many strategy items and moved focus onto other areas of the business in 2021. Actions completed in 2021 included:

- Successfully retained certification at 11 GLL premises over 3 partnerships to the updated Environmental Standard ISO14001:2015
- GLL generates renewable energy from 50 sources,
  - 44 Solar PV installations,
  - 7 Solar Thermal arrays,
  - 3 Biomass boilers and
  - 6 Air Source Heat Pumps.
- Renewable electricity generation in 2021 totalled 1.5m kWh. With nearly 2m kWh of renewable heat.
- 40 Combined Heat & Power units were active in 2021, using natural gas to generate low Carbon heat and over 12.8m kWh of electricity and over 25m kWh of heat locally for premises.
- Commenced final drafting of GLL's Sustainability strategy which will outline our targets and objectives for the coming years including net zero carbon targets, waste & recycling objectives, renewable energy strategy, biodiversity and wider goals to be published in 2022
- Electricity generation from Low Carbon and Renewable sources has helped reduce GLL's Carbon Footprint and lowers the amount of electricity and gas consumed via the National Grid.
- Worked with Partners to install large scale Solar Arrays and Air Source Heat Pumps in Hackney and Welwyn & Hatfield with more planned for 2022.

#### Environmental Legislation Compliance in 2021

- GLL has completed its SECR Summary Report for 2021
- GLL commenced work on ensuring all relevant Solar PV installations and CHP's conform to the new "Loss of Mains" protection regulations required by the electricity Network operators.
- Display Energy Certificates have been produced and displayed at all applicable GLL premises.

#### **Waste and Recycling**

Grundon Waste Services and their regional partners along with 1st Waste and Suez collected general waste and recycling from around 180 GLL Leisure Centres, Better Gyms and Libraries under centrally controlled contracts. The key objectives and achievements under the GLL Waste and Recycling Policy in 2021 are shown below. Due to facility closures at the start of the year and reduced customer capacities during the latter part of the year, waste totals were reduced compared to historical levels but did show an increase on 2020:

- Achieved zero waste to landfill by the end of 2021 (within Grundon Contract)
- Only 2% of residual waste going to landfill under our 1st Waste contract with 98% of waste being recycled or used to generate heat & electricity.
- Over 1,100 tonnes of waste collected through centrally managed contracts
- 377 tonnes of waste was recycled.
- Year-end recycling rate was 32%. The fall in the recycling rate was partly due to reduced food waste and glass recycling as fewer events were held and café services provision was reduced across the organisation.

In 2020 GLL began a review of its Waste and Recycling Policy to be implemented in 2021 covering key objectives and targets for the future, this was put on hold due to the pandemic. This remains a key work stream and a core part of GLL's future Sustainability Strategy to be launched in 2022. Plans include:

- Strategy for the removal of single use plastics from GLL premises
- Increased separation of food waste and use of compostable catering supplies
- 65% Recycling target by 2035 in line with Government objectives.

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### GLL's "GREEN AGENDA" (continued)

##### **Waste and Recycling (continued)**

- A commitment to "Zero Waste to Landfill" across all GLL premises.
- GLL wide review of waste provisions and tender process to select long term partners to support GLL's objectives.

##### **GLL GREEN – Continuous Investment**

GLL continues to work with Partners and invest directly in Carbon saving technologies. The programme had to be slowed down in 2021 but a number of key projects were still delivered. For example:

- Large roll out of Variable Speed Drives across the North Region.
- Spend to save projects commenced in GLL's Reading Partnership.
- GLL's BEMS (Building Energy Management System) Bureau has continued to grow in 2021
- Roll out of GLL's Automatic Metering project has continued with the target of having all GLL gas and electricity meters being read automatically and the data and reporting available to Managers and suppliers for more accurate billing and consumption analysis that importantly lead to better management of the use of this precious resource.
- Other investments have been completed by the regional teams including Pool cover installations, LED Lighting replacements and boiler upgrades.

Other investments and projects planned for 2022 include:

- GLL to invest £500,000 on 6 new Solar PV arrays across GLL owned and leased premises.
- In addition to the 2 arrays commissioned in late 2021 for GLL's Head office and Charlton Lido for 2022 installation.
- Over £1m to be invested in LED lighting & Pool covers to reduce carbon and costs.
- GLL will work with a number of partners across the country to decarbonise its heating supply through the installation of Air Source Heat Pumps (ASHP) funded through the Public Sector Decarbonisation Scheme.
- Current works planned indicate installations at a further 10 GLL facilities across the country.
- Installation of a first Water Source Heat Pump at West Reservoir in Hackney

##### **Energy use in like for like centres year on year**

In 2021 the utility consumption across all GLL facilities showed the following results against 2020. There were increases in overall energy compared to the previous year due to fewer Covid closures; however consumption remains lower than historical years.

- Gas consumption increased overall by just over 14.5% overall, up to 215.7m kWh. (Total 2020 consumption = 188.2m kWh)
- Electricity consumption increased by 23.2%, up to 85.2m kWh (Total 2020 consumption = 69.1m kWh)
- Energy use was minimised through both lockdowns in 2021. Automatic Metering was monitored remotely to identify consumption and target unnecessary usage.

##### **Streamlined Energy & Carbon Reporting (SECR) Regulations**

Legislation to replace the CRC scheme has been put in place under the Companies (Directors Report) and Limited Liability Partnerships (Energy & Carbon Reporting) Regulations 2018. GLL is committed to complying with the Regulations as required.

The regulations require large businesses to measure and report on its total Carbon Footprint covering emissions from direct gas and fossil fuel combustion (Scope 1), electricity and delivered heat (Scope 2) as well as business and staff travel (Scope 3)

In 2021 GLL's Total measured footprint was 59,724 tCO<sub>2</sub>e (2020 52,765), below is a summary of GLL's total 2021 Carbon Footprint broken down by scope. As can be seen from the breakdown 67% (2020 – 66%) of GLL's emissions are generated from its gas and fossil fuels use and less than 33% from electricity consumption, whereas travel currently accounts for only 0.36% due to the impact of Covid and changes in working habits especially on-line meetings.

GLL 2021 Carbon Emissions by Scope:

- Scope 1 = 39,880 tCO<sub>2</sub>e
- Scope 2 = 19,628 tCO<sub>2</sub>e
- Scope 3 = 216 tCO<sub>2</sub>e

## GREENWICH LEISURE LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### GLL's "GREEN AGENDA" (continued)

##### **Streamlined Energy & Carbon Reporting (SECR) Regulations (continued)**

As part of the regulations GLL is required to monitor and report emissions against an appropriate metric, the data below shows GLL's 2021 emissions as a ratio against its total operational floor area, turnover and customer visits.

GLL Carbon Intensity 2021

- Turnover = 254 tCO<sub>2</sub>/£m
- Gross Internal Area = 0.06 tCO<sub>2</sub>/m<sup>2</sup>
- Customer Visits = 2212 tCO<sub>2</sub>/ million visits

##### **Awards and Recognition**

GLL continues to hold ISO14001:2015 with external audits and certification completed in October 2021. These were completed remotely by the auditor with building tours and interviews happening over Teams. This was a challenge for Energy & Environment team as well as the operational teams who worked well to ensure the audits were completed in full and certification continued.



#### LOOKING TO THE FUTURE and DELIVERING OUR AMBITION

Whilst acknowledging the very human tragedy of the pandemic, and the impact on our customers and our staff particularly, like many businesses it required us to make accelerated changes to our service and how we operate. As we approached the end of 2021, we therefore took the opportunity to further think about the future and provide a refreshed sense of direction for the organisation and our people, by setting out some high level ambitions to steer us through 2022 and towards our next corporate planning period (2023 -2027).

We aim to **be the most successful and influential leisure & cultural social enterprise in the UK** and will do this by:

- **Our Partners understand our values, difference and impact and want to work with us**
- **Our Customers understand our values, difference and impact and choose to use us**
- **Being the champion of health, wellbeing, physical activity and culture within our market sectors**
- **Being at the heart of communities, providing a real 'lifelong and lifestyle' offer**
- **Being the best staff owned business in the UK**
- **Being the leading charitable social enterprise business**

We have developed a framework to deliver these aspirations, based on meeting the needs of our Partners and Customers through our Four Pillars / Values and, through our new leadership team, we are translating them into objectives and actions so that all our people can understand what they need to focus on and do, day in and day out, to make GLL successful.

But if the last two years has taught us anything, it is that we must continually refine and adapt our plans, depending on our business performance and the political, economic, social, technological, legal and environmental issues that impact on GLL.

Through this combination of a clear sense of purpose and direction - but the need to regularly review, adapt, and change - we are confident that we will realise our ambitions in the years ahead. In doing so that will invariably provide us with new and different options and choices about where we take GLL in the future.

**GREENWICH LEISURE LIMITED**

**REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**STATEMENT OF COMMITTEE OF MANAGEMENT'S RESPONSIBILITIES**

The Committee of Management are responsible for preparing the Report of the Committee of Management incorporating a Strategic Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS102 (the financial reporting standard applicable in the UK and R.O.I).

Society law requires the Committee of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Society and of the incoming resources and application of resources, including the income and expenditure, of the Group and Society for that period. In preparing these financial statements, the management board are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and the principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Society will continue in business.

The Committee of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Society's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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**

In so far as the Committee of Management are aware at the time of approving the Report of the Committee of Management, there is no relevant information (as defined by the Co-operative and Community Benefit Societies Act 2014) of which the Group's and Society's auditors are unaware, and each committee member has taken all the steps that he or she ought to have taken as a Committee Member in order to make himself or herself aware of any audit information and to establish that the Group's and Society's auditors are aware of that information.

Committee of Management report, incorporating a strategic report, approved by order of the committee members, on 26 May 2022 and signed on the Committee of Management's behalf by:



J M Sesnan – Committee Member



G Kirk – Committee Member

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
GREENWICH LEISURE LIMITED**

**Opinion**

We have audited the Group and the Society financial statements of Greenwich Leisure Limited for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Society Balance Sheet, Consolidated Cash Flow Statement 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 FRS 102 the financial reporting standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Society's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditor's 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.

**Other information**

The committee of management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREENWICH LEISURE LIMITED**

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

In light of our knowledge and understanding of the Group and Society and its environment obtained in the course of our audit, we have not identified material misstatements in the Strategic Report and the Committee of Management Report.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the Group and Society have not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Group's and Society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the committee of management**

As explained more fully in the committee of management's responsibilities statement set out on page 20, the committee of management is 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 it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.*

In preparing the financial statements, the committee of management is 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 committee of management either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and Society, including, but not limited to, the Co-operative and Community Benefit Societies Act 2014, UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's and Society's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
GREENWICH LEISURE LIMITED**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:


- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Committee of Management and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

**Use of our report**

This report is made solely to the Group's and 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 Group's and 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.



Clair Rayner FCA DChA (Senior Statutory Auditor)  
for and on behalf of McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
SITTINGBOURNE  
ME10 4AE

Date : 26 May 2022

**GREENWICH LEISURE LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND  
STATEMENT OF OTHER COMPREHENSIVE INCOME)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

Notes	31.12.21 Unrestricted Funds £	31.12.21 Restricted Funds £	31.12.21 FRS 102 s.28 Adjustment Unrestricted £	31.12.21 Total Funds £	31.12.20 Unrestricted Funds £	31.12.20 Restricted Funds £	31.12.20 FRS 102 s.28 Adjustment Unrestricted £	31.12.20 Total Funds £
<b>INCOME</b>								
Donations	350,911	38,106,105	-	38,457,016	-	52,484,366	-	52,484,366
<b>Income from charitable activities</b>								
Operation of leisure, recreation sites and health activities	197,180,252	18,802	-	197,199,054	158,094,645	99,511	-	158,194,156
<b>Income from other trading activities</b>								
Commercial trading operations	1,854,913	443,469	-	2,298,382	1,929,438	-	-	1,929,438
Investment income	55,653	-	-	55,653	35,814	-	-	35,814
<b>Other income</b>	(2,033,395)	-	-	(2,033,395)	6,085,923	-	-	6,085,923
<b>Total income</b>	197,408,334	38,568,376	-	235,976,710	166,145,820	52,583,877	-	218,729,697
<b>EXPENDITURE ON</b>								
<b>Costs of raising funds</b>								
Investment management costs	49,180	-	-	49,180	28,216	-	-	28,216
Commercial trading operations	1,633,554	443,469	-	2,077,023	2,291,247	-	-	2,291,247
<b>Charitable activities</b>								
Operation of leisure, recreation sites and health activities	193,339,290	38,235,889	3,903,000	235,478,179	182,141,824	52,581,062	2,808,000	237,530,886
<b>Other expenditure</b>	103,441	-	-	103,441	104,341	-	-	104,341
<b>Total expenditure</b>	195,125,465	38,679,358	3,903,000	237,707,823	184,565,628	52,581,062	2,808,000	239,954,690
<b>Net income/(expenditure) for the year before other recognised gains and losses</b>	2,282,869	(110,982)	(3,903,000)	(1,731,113)	(18,419,808)	2,815	(2,808,000)	(21,224,993)

The notes form part of these financial statements

**GREENWICH LEISURE LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND  
STATEMENT OF OTHER COMPREHENSIVE INCOME)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

Notes	31.12.21 Unrestricted Funds £	31.12.21 Restricted Funds £	31.12.21 FRS 102 s.28 Adjustment Unrestricted £	31.12.21 Total Funds £	31.12.20 Unrestricted Funds £	31.12.20 Restricted Funds £	31.12.20 FRS 102 s.28 Adjustment Unrestricted £	31.12.20 Total Funds £
<b>Net income/(expenditure) for the year before other recognised gains and losses</b>	2,282,869	(110,982)	(3,903,000)	(1,731,113)	(18,419,808)	2,815	(2,808,000)	(21,224,993)
<b>Transfers between funds</b>	32	-	-	-	-	-	-	-
Remeasurement gains/(losses) on defined benefit schemes	28	-	22,900,000	22,900,000	-	-	(29,979,000)	(29,979,000)
Net liabilities acquired on schemes	28	-	(3,738,000)	(3,738,000)	-	-	-	-
<b>Net movement in funds</b>	2,282,869	(110,982)	15,259,000	17,430,887	(18,419,808)	2,815	(32,787,000)	(51,203,993)
Shares issued	32	5,225	-	5,225	3,550	-	-	3,550
Shares cancelled	32	(7,625)	-	(7,625)	(7,800)	-	-	(7,800)
<b>RECONCILIATION OF FUNDS</b>								
<b>Total funds brought forward</b>	20,467,381	183,612	(70,724,000)	(50,073,007)	38,891,439	180,797	(37,937,000)	1,135,236
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>22,747,850</u>	<u>72,630</u>	<u>(55,465,000)</u>	<u>(32,644,520)</u>	<u>20,467,381</u>	<u>183,612</u>	<u>(70,724,000)</u>	<u>(50,073,007)</u>

The consolidated statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure arises from acquired and continuing activities.

The notes form part of these financial statements

**GREENWICH LEISURE LIMITED**

**CONSOLIDATED BALANCE SHEET  
AT 31 DECEMBER 2021**

		31.12.21 Total Funds £	31.12.21 Total Funds £	31.12.20 Total Funds £	31.12.20 Total Funds £
	Notes				
<b>FIXED ASSETS</b>					
Intangible assets	17		29,139		47,673
Tangible assets	18		44,631,329		50,766,563
Investments	19		286,808		286,808
Investment property	20		<u>1,192,024</u>		<u>1,192,024</u>
			46,139,300		52,293,068
<b>CURRENT ASSETS</b>					
Stocks	21	599,892		669,467	
Debtors: amounts falling due within one year	22	25,995,042		30,841,079	
Debtors: amounts falling after more than one year	22	5,560,420		5,442,581	
Cash at bank and in hand		<u>33,423,165</u>		<u>31,023,088</u>	
		65,578,519		67,976,215	
<b>CREDITORS</b>					
Amounts falling due within one year	23	<u>(67,536,565)</u>		<u>(70,767,307)</u>	
<b>NET CURRENT ASSETS</b>			<u>(1,958,046)</u>		<u>(2,791,092)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			44,181,254		49,501,976
<b>CREDITORS</b>					
Amounts falling due after more than one year	24		<u>(21,360,774)</u>		<u>(28,850,983)</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>22,820,480</u>		<u>20,650,993</u>
<b>PENSION LIABILITY</b>	28		55,465,000		70,724,000
<b>FUNDS</b>					
Unrestricted funds		(33,271,111)		(50,852,007)	
Designated funds		<u>513,161</u>		<u>552,188</u>	
Total unrestricted funds			(32,757,950)		(50,299,819)
Restricted funds			72,630		183,612
Share capital	30		<u>40,800</u>		<u>43,200</u>
<b>TOTAL FUNDS</b>	31		<u>(32,644,520)</u>		<u>(50,073,007)</u>
<b>TOTAL FUNDS EXCLUDING PENSION LIABILITY</b>			<u>22,820,480</u>		<u>20,650,993</u>

The financial statements were approved by the Committee of Management on 24 May 2022 and were signed on its behalf by:

  
J M Sesnan – Committee Member

  
G Kirk – Committee Member

  
P Donnay – Secretary

Society Registered Number: IP27793R


The notes form part of these financial statements

**GREENWICH LEISURE LIMITED**

**SOCIETY BALANCE SHEET  
AT 31 DECEMBER 2021**

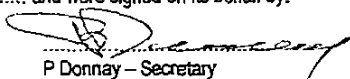
		31.12.21 Total Funds £	31.12.21 Total Funds £	31.12.20 Total Funds £	31.12.20 Total Funds £
	Notes				
<b>FIXED ASSETS</b>					
Intangible assets	17		29,139		47,673
Tangible assets	18		44,631,329		50,766,563
Investments	19		286,808		286,808
Investment property	20		<u>1,192,024</u>		<u>1,192,024</u>
			46,139,300		52,293,068
<b>CURRENT ASSETS</b>					
Stocks	21	599,892		669,467	
Debtors: amounts falling due within one year	22	26,135,491		31,203,122	
Debtors: amounts falling due after more than one year	22	5,560,420		5,442,581	
Cash at bank and in hand		<u>33,423,080</u>		<u>30,976,339</u>	
		65,718,883		68,291,509	
<b>CREDITORS</b>					
Amounts falling due within one year	23	<u>(67,536,480)</u>		<u>(70,720,792)</u>	
<b>NET CURRENT ASSETS</b>			<u>(1,817,597)</u>		<u>(2,429,283)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			44,321,703		49,863,785
<b>CREDITORS</b>					
Amounts falling due after more than one year	24		<u>(21,360,774)</u>		<u>(28,850,983)</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>22,960,929</u>		<u>21,012,802</u>
<b>PENSION LIABILITY</b>	28		55,465,000		68,810,000
<b>FUNDS</b>					
Unrestricted funds		(33,130,662)		(48,576,198)	
Designated funds		<u>513,151</u>		<u>519,188</u>	
Total unrestricted funds			(32,617,501)		(48,024,010)
Restricted funds			72,630		183,612
Share capital	30		<u>40,800</u>		<u>43,200</u>
<b>TOTAL FUNDS</b>	31		<u>(32,504,071)</u>		<u>(47,797,198)</u>
<b>TOTAL FUNDS EXCLUDING PENSION LIABILITY</b>			22,960,929		21,012,802

The financial statements were approved by the Committee of Management on ..... and were signed on its behalf by:

  
J M Sessnan – Committee Member  
Society Registered Number:

IP27793R

  
G Kirk – Committee Member

  
P Donnay – Secretary

The notes form part of these financial statements

**GREENWICH LEISURE LIMITED****CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
<b>Cash flows from operating activities</b>	<b>1</b>	<b><u>12,482,398</u></b>	<b><u>(882,958)</u></b>
<b>Cash flows from investing activities</b>			
Interest		(860,171)	(444,726)
Rent		6,473	2,259
Sale of fixed assets		-	171,133
Purchase of investment property		-	(66,657)
Purchase of tangible fixed assets		(2,548,116)	(3,818,368)
		<u>                    </u>	<u>                    </u>
<b>Cash used on investing activities</b>		<b><u>(3,401,814)</u></b>	<b><u>(4,156,358)</u></b>
<b>Cash flows from financing activities</b>			
Repayment of borrowing		(11,688,026)	(335,364)
New loans issued		5,009,919	12,551,270
Share issue		5,225	3,550
Shares cancelled		(7,625)	(7,800)
		<u>                    </u>	<u>                    </u>
<b>Cash from/(used) in financing activities</b>		<b><u>(6,680,507)</u></b>	<b><u>12,211,656</u></b>
 Increase in cash and cash equivalents in the year		 <u>2,400,077</u>	 <u>7,172,341</u>
Cash and cash equivalents at the beginning of the year		31,023,088	23,850,747
<b>Total cash and cash equivalents at the end of the year</b>		<b><u>33,423,165</u></b>	<b><u>31,023,088</u></b>

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.12.21 £	31.12.20 £
Net outgoing resources before other recognised gains and losses	(1,731,113)	(21,224,993)
Amortisation of goodwill	18,534	57,924
Depreciation charges	8,222,357	9,198,843
Deficit on disposal of fixed assets	460,993	3,361,510
Interest received	-	(5,339)
Interest paid	860,171	450,065
Rents received	(55,653)	(30,475)
Rental expenses paid	49,180	28,216
Decrease in stocks	69,575	128,206
Decrease in debtors	4,728,198	6,232,046
Decrease in creditors	(4,042,844)	(1,886,961)
Interest cost on defined benefit pension scheme	945,000	776,000
Administrative expenses	69,000	82,000
Difference between pension charge and cash contributions	<u>2,889,000</u>	<u>1,950,000</u>
<b>Net cash inflow from operating activities</b>	<b><u>12,482,398</u></b>	<b><u>(882,958)</u></b>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	31.12.21 £	31.12.20 £
Cash in hand	31,819,271	29,419,724
Notice deposits (less than 3 months)	<u>1,603,894</u>	<u>1,603,364</u>
<b>Total cash and cash equivalents</b>	<b><u>33,423,165</u></b>	<b><u>31,023,088</u></b>

The notice deposits are sums held on interest bearing deposit with Lloyds Bank. The funds are held on a 32-day notice account and are therefore classified as cash and cash equivalents.

**3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

	At 1.1.21 £	Cash flow £	At 31.12.21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>31,023,088</u>	<u>2,400,077</u>	<u>33,423,165</u>
	<u>31,023,088</u>	<u>2,400,077</u>	<u>33,423,165</u>
<b>Debt</b>			
Debts falling due within 1 year	(4,435,428)	(812,102)	(5,247,530)
Debts falling due after 1 year	<u>(28,850,983)</u>	<u>7,490,209</u>	<u>(21,360,774)</u>
	<u>(33,286,411)</u>	<u>6,678,107</u>	<u>(26,608,304)</u>
<b>Total</b>	<b><u>(2,263,323)</u></b>	<b><u>9,078,184</u></b>	<b><u>6,814,861</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. ACCOUNTING POLICIES**

**Society status**

GLL is a registered Society limited by shares under the Co-operative and Community Benefit Societies Act 2014 and is incorporated in the United Kingdom. The address of the registered office is given in the society information on page 1 of these financial statements.

The presentation currency of the financial statements is the Pound Sterling (£).

**Basis of preparing the financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 September 2019) and the Co-operative and Community Benefit Societies Act 2014.

Greenwich Leisure Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the society.

**Going concern**

The Group meets its day to day working capital requirements through income generated. The Group has adequate financial resources together with customers and strategic parties to continue trading at current levels. As a consequence, the Committee of Management believe that the Group is well placed to manage its business risks successfully. The Committee of Management are satisfied that the Group will be able to meet all its obligations as and when they fall due. The Committee of Management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they consider it appropriate to continue to prepare the financial statements on a going concern basis.

## **GREENWICH LEISURE LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED** **FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. ACCOUNTING POLICIES – continued**

##### **Group financial statements**

The financial statements consolidate the results of the Society and its subsidiaries: GLL (Trading) Limited and North Country Leisure Limited, on a line by line basis. Although a separate Statement of Financial Activities and Income and Expenditure Account is not required for the Society itself, it has nonetheless been included as an appendix.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the Committee of Management in furtherance of the general objectives of the Society and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Committee of Management for particular purposes. The aim and use of each designated fund, where relevant, is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund, where relevant, is set out in the notes to the financial statements.

##### **Income**

All incoming resources from recreation, leisure sites and health activities are included on the Statement of Financial Activities when the Society is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Monthly direct debit subscriptions are recognised on the first day of the period in which they are paid.

Income represents net sales of goods and services and management fees excluding value added tax, to customers during the year.

Under certain contracts that the Society has entered into, the Society is entitled to management fees. As part of the agreements the Society agrees to undertake improvements to facilities. The management fees agreed reflect the level of investment that is to be undertaken and the anticipated increase in the operating results of the facility once the improvements have been completed.

Management fees are often paid in equal instalments over the life of the contract. However the Society recognises the management fee in accordance with the expected profile of the operating results and contracted lifecycle maintenance.

Restricted income is included when the Society is legally entitled to the income and the amount can be quantified with reasonable accuracy.

##### **Grants/other funding**

Grants receivable in respect of a specified period relating to the general activities of the Society are recognised in the Statement of Financial Activities in the period in which they become receivable. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use.

##### **Government grants**

Government grants are recognised when it is reasonably certain that the conditions attached the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably, some grants will contain terms or conditions that must be met before the Society has entitlement to the resources and such grants are only recognised when entitlement is confirmed. Where conditions have not been satisfied, these grants are recognised as liabilities. If grants are not conditional on future performance related conditions, then income is recognised when the grant proceeds are receivable.

During the year the Society received the following revenue based grants:

- Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received has been included in donations (note 3).
- National Leisure Recovery Fund (NLRFF) to support businesses during lockdown. The amount received has been included in income (note 3).
- COVID-19 relief from Local Authorities in respect of contracts maintained by the Society. The amount received has been included in income (note 4).
- Government Business Grants relating to the retail, hospitality and leisure industries awarded during the lockdown periods. The amount received has been included in income (note 4).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. ACCOUNTING POLICIES – continued**

**Other income**

As a result of the pressures on cash flow arising from the Covid19 pandemic, various Local Authorities have provided interest free support payments to GLL and have varied the terms of existing contracts. In a number of cases, the terms for the duration and repayment of these funds are uncertain as any repayment is dependent upon the outcome of contracts going forward.

Accordingly, liabilities have been recognised if the expected outcome is forecast to result in a repayment at the present value of the probable future economic outflow discounted at a market rate for a similar debt instrument. Where the forecasts indicate that it is not probable that the full amount of the support will be repaid, the proportion of the support payment that is not forecast to be repaid has been recognised in the financial statements as other income.

*The Committee of Management will review the outcome of these contracts on an annual basis. In the event they consider that there have been revisions to the probable forecast outcome, they will adjust the recognition of liabilities accordingly which may result in adjustments to income previously recognised. Where liabilities are increased following the review, the adjustment will show as negative balance for other income. Where a non-market rate of interest exists on the support to be repaid, the resulting credit has also been recognised in the Statement of Financial Activities as other income.*

**Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Resources expended include attributable VAT which cannot be recovered.

**Support costs allocation**

*Support costs are those that assist the work of the Society but do not directly represent charitable activities. They are incurred directly in support of expenditure on the objects of the Society. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.*

**Taxation**

The Society is exempt from corporation tax on its charitable activities. Where the Society conducts trading activities corporation tax is charged on the profits arising from these activities.

**Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired business at the date of acquisition. Goodwill arising from such acquisitions is included in intangible assets. The goodwill is then amortised over its expected useful life. Goodwill is tested for impairment at the end of the first full financial year after acquisition and then if events or changes in circumstances indicate that carrying values may not be recoverable. Any impairment is recognised immediately in the statement of financial activities. Subsequent reversals of impairment losses for goodwill are not recognised. This does not apply for the acquisition of subsidiaries, which are treated as business combinations.

**Tangible fixed assets**

*Fixed assets are shown in the financial statements at cost including irrecoverable VAT in respect of these assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.*

Land and buildings	-straight line over 50 years or over the lease term, whichever is shorter
Plant	-straight line over up to 10 years
Improvements to property	-straight line over up to 10 years. Where a contract expires in less than 10 years and there is not an ability to pass the unamortised costs back to the Council or another operator, costs are depreciated over the remaining periods in the contract.
Health & Fitness Equipment	- straight line over 5 years. Where a contract expires in less than 5 years and there is not an ability to sell on or remove the equipment at the end of the contract, costs are depreciated over the remaining periods in the contract.
Equipment, fixtures and fittings	-straight line over 4 years. Where a contract expires in less than 4 years and there is not an ability to sell on or remove the plant or machinery at the end of the contract, costs are depreciated over the remaining periods in the contract.
Motor vehicles	-straight line over 4 years

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. ACCOUNTING POLICIES – continued**

**Pensions**

The Society operates pension schemes providing benefits based on final pensionable pay and career average related earnings. Contributions to the defined benefits scheme are charged to the Statement of Financial Activities in order to allocate the cost of providing the pensions, recognising any actuarial surplus or deficiency (where appropriate) over the working lives of the relevant employees as assessed in accordance with the advice of professionally qualified actuaries. The assets of the scheme are held separately in an independently administered fund.

In respect of those defined benefit pension schemes where the local authority has indemnified the Society against changes in the employer contribution rate and any liability which may become payable as a result of the termination or expiry of a contract, the amount charged to the Statement of Financial Activities represents the contribution payable to the scheme in the accounting period without any actuarial adjustment.

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

**Business combinations**

Business combinations, except for transactions between entities under common control, are accounted for using the acquisition method of accounting. The acquired identifiable assets and liabilities are measured at their fair values at the date of the acquisition. Where control of an entity has been transferred to the Society, the difference between the consideration and the fair value of the assets or liabilities is treated as a donation or an expense as appropriate.

**Service Concession Arrangements**

The Society has Service Contracts with Local Authorities for the maintenance and operation of leisure centres and libraries owned by the respective Authorities to which it has lease and management service contracts. The Authorities have rights under the contracts to specify the activities offered by the centres and have influence over the prices charged for them and also may have certain exclusive rights for the use of the centres at certain times. The contracts specify minimum standards for the services to be provided, with deductions from the service management fee payable being made if facilities are unavailable or performance is below the minimum standards.

*Property, plant and equipment*

The buildings and plant at the centres are leased to the Society as part of the overall contractual relationship with the respective Authorities but the Authorities maintain ultimate control of these assets. Accordingly the access which the Society has in the use of these assets is to enable it to operate the leisure centres, so that the Society can provide the public service it is contracted to provide, not to effectively own these public service assets. These assets are therefore not recognised on the Society's Balance Sheet.

*Receipts*

The Society, in some cases, receives an agreed payment from the Authorities each year which may in certain cases be adjusted each year by inflation and can be reduced if the Society fails to meet availability and performance standards in any year but which is otherwise fixed.

In cases where the receipt from the Authority includes funding for specific works to be carried out in accordance with specifications laid down in the contract but which has not been spent at the year end a provision is included in the financial statements to reflect this.

**Stocks**

Stocks consist of purchased goods for resale and are valued at the lower of cost and net realisable value, on a first-in-first-out basis, after making due allowance for obsolete and slow moving items.

**Investment property**

Investment properties, which comprise holiday lets, are shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to the Income and Expenditure account.

In accordance with FRS 102 the properties are not depreciated and are valued at fair value at the reporting date by the Committee of Management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021

**1. ACCOUNTING POLICIES – continued**

**Provisions**

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to meet the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect the known circumstances relating to the liability.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Society or a present obligation which cannot be reliably estimated. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

**Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities.

**Leases**

Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Social Bond**

The social bond has been stated at the amount of its net proceeds. Net proceeds are the fair value of the consideration received in respect of the bond after the deduction of issue costs.

The issue costs are recognised in the Statement of Financial Activities at a constant rate on the carrying amount of the bond.

**Debtors receivable and creditors payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Debtors receivable and creditors payable over one year**

Debtors and creditors are stated at value due as an appropriate interest/discount rate is effectively applied.

**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021

**1. ACCOUNTING POLICIES – continued**

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Society's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

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

Management consider the following to be key sources of estimation uncertainty which would have a significant effect on the amounts recognised in the financial statements:

A number of actuarial assumptions are used to quantify the Group's pension liability in respect of defined benefit pension schemes. Further information concerning these assumptions can be found in note 28.

The Society in recognising some management fee income does so in accordance with an expected profile of operating results, the amounts recognised in advance are included in the accounts as debtors due greater than one year.

The impairment of COVID related support liabilities has been calculated with reference to the projected profile of future probability on contracts with reference to contract termination dates. There is a high degree of uncertainty in these estimates particularly in light of the uncertainty surrounding post COVID trading levels. The recognition of these liabilities will be reviewed at each accounting date to reflect actual and revised projections of performance.

**Management Fee recognition**

Management fees are recorded in the financial statements in line with the contract, this can be one of two methods. Method one requires the recognition of the management fee on a cash receipt/payment basis with the management fee released to the SOFA as and when cost/income is recognised. This often leaves no balance sheet amount held other than a month/quarter in arrears/prepaid. Method two is whereby the management fee released to the P&L differs to the amount received/paid due to the amount being received/paid split more evenly throughout the life of the contract or to cover the additional costs incurred at the start of a contract. Method two leads to a balance sheet amount being held to take into account the timing differences between the amounts recognised and received/paid.

**Financial instruments**

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

**a) Trade and other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

**b) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

**c) Impairment of financial assets**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. ACCOUNTING POLICIES – continued****Financial instruments (continued)****d) Trade and other creditors**

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Foreign currency**

In accordance with FRS102 section 30, GLL translate foreign currency transactions using the spot exchange rate. The value of foreign currency is adjusted at the year-end for movements in the spot rate at this time. Non-monetary items are recognised at the historic rate and non-monetary items measured at fair value translated at the rate of the date when the fair value is re-measured.

Differences are recognised through the SOFA.

**2. FINANCIAL ACTIVITIES OF THE SOCIETY**

The financial activities shown in the Group Statement of Financial Activities include those of the Society's subsidiaries: GLL (Trading) Limited and North Country Leisure Limited.

A summary of the financial activities undertaken by the Society is set out below:

	31.12.21	31.12.20
	£	£
Gross incoming resources	233,423,546	212,947,631
Investment management costs	(49,180)	(28,216)
Total expenditure on charitable activities	(235,128,618)	(233,493,829)
Governance costs	(94,780)	(98,427)
Other resources expended	(103,441)	(104,341)
Net incoming resources	(1,952,473)	(20,777,182)
Actuarial (loss)/gain on defined benefit pension scheme	20,986,000	(29,442,000)
Net liabilities acquired on schemes	(3,738,000)	-
	<u>15,295,527</u>	<u>(50,219,182)</u>

**3. DONATIONS**

	31.12.21	31.12.20
	£	£
Donation income	<u>38,457,016</u>	<u>52,484,366</u>

The Group received £38,106,105 (2020: £52,484,366) of restricted grant funding, from the government's Coronavirus Job Retention Scheme (CJRS) of £26,522,907 (2020: £52,484,366) and the National Leisure Recovery Fund (NLRFF) of £11,583,198 (2020: £Nil).

The Group received further government unrestricted COVID relief grant funding, from the Community Leisure Recovery Fund (CLRFF) of £350,911 (2020: £Nil).

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	31.12.21	31.12.20
	£	£
Operation of leisure, recreation sites and health activities	143,454,964	105,353,152
Management fees	39,706,955	38,569,450
Other funding	1,985,031	2,349,103
Government Grants – COVID-19 relief	3,805,431	10,028,389
Government Grants –Business Grants	8,246,673	1,894,062
	<u>197,199,054</u>	<u>158,194,156</u>

**5. INCOME FROM OTHER TRADING ACTIVITIES – COMMERCIAL TRADING OPERATIONS**

A summary of the trading results of the Group is shown below (this represents the results of GLL (Trading) Limited for the period):

	31.12.21	31.12.20
	£	£
Turnover	1,854,913	1,111,719
Turnover – Restricted - Coronavirus Job Retention Scheme (CJRS)	443,469	817,719
Cost of sales and administration costs	<u>(2,077,023)</u>	<u>(2,291,247)</u>
Net profit/(loss)	<u>221,359</u>	<u>(361,809)</u>

**6. INVESTMENT INCOME**

	31.12.21	31.12.20
	£	£
Interest received	-	5,339
Rent	<u>55,653</u>	<u>30,475</u>
	<u>55,653</u>	<u>35,814</u>

**7. FAIR VALUE OF FINANCIAL LIABILITIES AND DISCOUNTED INTEREST GAIN**

	31.12.21	31.12.20
	£	£
Fair value adjustment - Covid support payments	(2,100,751)	5,607,200
Discounted interest on Covid support payments	<u>67,356</u>	<u>478,723</u>
	<u>(2,033,395)</u>	<u>6,085,923</u>

Covid support payments received in the year representing financial liabilities totalled £Nil (2020: £8,759,325). The amount that is considered to be repayable, based on forecast profitability for the remaining duration of the relevant contracts has been recalculated as £3,506,449 not considered repayable (2020: £5,607,200 not considered repayable). Liabilities of £4,407,089 (2020: £2,541,681) are included within other loans in note 25 after accounting for the discounted interest gain arising because the loans are not subject to interest. The recognition of these liabilities will be reviewed on an annual basis and adjusted as required based on forecast profitability.

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. INVESTMENT MANAGEMENT COSTS**

	31.12.21	31.12.20
	£	£
Insurance	2,975	1,262
Rates and water	1,722	(290)
Light and heat	3,446	5,939
Legal fees	5,413	5,997
Site services	21,283	11,455
Other expenses	14,341	3,853
	<u>49,180</u>	<u>28,216</u>

The above are costs incurred in relation to management and maintenance of the Society's investment properties.

**9. RESOURCES EXPENDED ON CHARITABLE ACTIVITIES EXPENSES**

	Direct Costs	Support Costs (see note 10)	31.12.21 Total Charitable Activities	31.12.20 Total Charitable Activities
	£	£	£	£
Leisure, recreation and health activities	<u>221,978,783</u>	<u>13,499,396</u>	<u>235,478,179</u>	<u>237,530,886</u>

**10. SUPPORT COSTS**

Support costs, included in the above, are as follows:

	31.12.21 Operation of leisure, recreation sites and health activities £	31.12.20 Operation of leisure, recreation sites and health activities £
Wages	6,077,401	6,209,686
Premises expenses	6,956,914	6,041,850
Motor and travel	65,345	92,475
Overheads	304,956	286,687
Governance costs (note 11)	<u>94,780</u>	<u>98,427</u>
	<u>13,499,396</u>	<u>12,729,125</u>

**11. GOVERNANCE COSTS**

	31.12.21 £	31.12.20 £
Auditors' remuneration	75,425	75,430
Auditors' remuneration – Teachers Pension	350	350
Auditors' remuneration for non-audit work	19,005	16,547
Auditors' remuneration for audit of subsidiary accounts	-	6,100
	<u>94,780</u>	<u>98,427</u>

**12. OTHER RESOURCES EXPENDED**

	31.12.21 £	31.12.20 £
Social Bond interest payable	<u>103,441</u>	<u>104,341</u>
	<u>103,441</u>	<u>104,341</u>

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. NET INCOMING/(OUTGOING) RESOURCES**

*Net resources are stated after charging/(crediting):*

	31.12.21	31.12.20
	£	£
Auditors' remuneration	75,775	81,880
Auditors' remuneration for non-audit work	19,005	16,547
Depreciation - owned assets	8,222,357	9,198,843
Hire of plant and machinery	810,920	1,243,865
Deficit/(Surplus) on disposal of fixed asset	460,993	3,361,510
Goodwill amortisation	18,534	57,924

**14. COMMITTEE MEMBERS' EMOLUMENTS**

	31.12.21	31.12.20
	£	£
Committee members' emoluments	856,241	698,501

The number of committee members to whom retirement benefits were accruing was as follows:

Defined benefit schemes	9	8
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The emoluments paid to committee members including the chairman and the highest paid member refer to salaries and benefits in kind paid for employment with the Society. For full details see below. Committee members do not receive any remuneration in respect of their position as charity trustees.

The value of the committee members' remuneration was as follows:

	31.12.21	31.12.20
	£	£
J M Sesnan	214,219	206,094
A Ritchie	47,775	45,142
G Kirk	89,632	85,991
M Perren	64,696	63,635
E Thoroughgood	51,305	42,775
E Gosden	32,951	23,448
J Seale	21,766	33,305
K Gaiinda	22,985	45,196
C Dean	26,178	57,374
C Myring	41,386	39,832
W Wardulenska	50,256	47,771
P Shearman	52,482	7,938
S Hannen	67,201	-
E Lewis	27,283	-
R Gediking	26,525	-
A Kitchen	19,601	-

**Trustees' Expenses**

During the year, reimbursed expenses amounting to £Nil (2020: £139) were paid to Trustees.

The total amount of employee benefits received by key management personnel is £649,923 (2020: £739,143). The Society considers its key management personnel comprises of the Executive Directors of the Society, consisting of J M Sesnan, P Donnay, P Bunday, and A Bindon.

**GREENWICH LEISURE LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021****15. STAFF COSTS**

	31.12.21 £	31.12.20 £
Wages and salaries (including social security and pension costs)	117,273,238	130,620,735
Recharge of North Country Leisure Wages and salaries	270,775	2,382,224
Redundancy and severance payments	676,689	3,092,391
Social Security costs	8,114,555	9,353,333
Recharge of North Country Leisure Social Security costs	14,303	141,631
Pension costs	7,412,367	7,930,057
Recharge of North Country Leisure Pension costs	51,110	336,333
Defined benefit difference between service charge and contributions paid	2,889,000	1,950,000
	<u>136,702,037</u>	<u>155,806,704</u>

Redundancy and severance payments in general include payments to pension funds in respect of pension strain. However, included amongst those amounts is £265,115 (2020: £199,904) in respect of mutually agreed settlements. These were made in addition to contractual arrangements and were made for the benefit of both the individuals and GLL in the long term.

The average monthly number of employees during the year was as follows:

	31.12.21	31.12.20
Direct	8,200	9,803
Administration and support	303	355
Management	<u>9</u>	<u>9</u>
	<u>8,512</u>	<u>10,167</u>

The number of employees whose emoluments fell within the following bands was:

	31.12.21	31.12.20
£60,000 - £70,000	14	22
£70,001 - £80,000	7	6
£80,001 - £90,000	6	7
£90,001 - £100,000	3	1
£100,001 - £110,000	1	3
£110,001 - £120,000	-	3
£120,001 - £130,000	3	-
£130,001 - £140,000	-	1
£140,001 - £150,000	2	2
£200,001 - £210,000	-	1
£210,001 - £220,000	1	-

The number of employees earning in excess of £60,000 (for the year) to whom retirement benefits are accruing:

31.12.21	31.12.20
33	39

**16. TAXATION**

The society is defined for tax purposes as a charitable organisation and accordingly no liability to UK corporation tax has arisen on the deficit for the current year (2020: £Nil).

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**17. INTANGIBLE FIXED ASSETS**

**Group and Society**

	Goodwill £
<b>COST</b>	
At 1 January 2021 and 31 December 2021	950,129
<b>AMORTISATION</b>	
At 1 January 2021	902,456
Charge for year	18,534
At 31 December 2021	920,990
<b>NET BOOK VALUE</b>	
At 31 December 2021	29,139
At 31 December 2020	47,673

**18. TANGIBLE FIXED ASSETS**

**Group**

	Freehold/ Leasehold property £	Leasehold improvements £	Equipment £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2021	27,559,749	49,481,355	54,663,639	1,074,220	132,778,963
Additions	-	449,533	1,965,004	133,579	2,548,116
Disposals	(536,714)	(194,077)	(81,066)	(157,665)	(969,522)
At 31 December 2021	27,023,035	49,736,811	56,547,577	1,050,134	134,357,557
<b>DEPRECIATION</b>					
At 1 January 2021	4,091,204	31,814,513	45,641,627	465,056	82,012,400
Charge for year	679,323	3,296,150	3,993,587	253,297	8,222,357
Eliminated on disposal	(270,753)	(98,653)	(52,525)	(86,598)	(508,529)
At 31 December 2021	4,499,774	35,012,010	49,582,689	631,755	89,726,228
<b>NET BOOK VALUE</b>					
At 31 December 2021	22,523,261	14,724,801	6,964,888	418,379	44,631,329
At 31 December 2020	23,468,545	17,666,842	9,022,012	609,164	50,766,563

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**18. TANGIBLE FIXED ASSETS - continued**

**Society**

	Freehold/ Leasehold property £	Improvements to property £	Equipment £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2021	27,485,320	49,481,355	54,663,639	1,074,220	132,704,534
Additions	-	449,533	1,965,004	133,579	2,548,116
Disposals	(536,714)	(194,077)	(81,066)	(157,665)	(969,522)
At 31 December 2021	<u>26,948,606</u>	<u>49,736,811</u>	<u>56,547,577</u>	<u>1,050,134</u>	<u>134,283,128</u>
<b>DEPRECIATION</b>					
At 1 January 2021	4,016,775	31,814,513	45,641,627	465,056	81,937,971
Charge for year	679,323	3,296,150	3,993,587	253,297	8,222,357
Eliminated on disposal	(270,753)	(98,653)	(52,525)	(86,598)	(508,529)
At 31 December 2021	<u>4,425,345</u>	<u>35,012,010</u>	<u>49,582,689</u>	<u>631,755</u>	<u>89,651,799</u>
<b>NET BOOK VALUE</b>					
At 31 December 2021	<u>22,523,261</u>	<u>14,724,801</u>	<u>6,964,888</u>	<u>418,379</u>	<u>44,631,329</u>
At 31 December 2020	<u>23,468,545</u>	<u>17,666,842</u>	<u>9,022,012</u>	<u>609,164</u>	<u>50,766,563</u>

**Group and Society**

Included above are assets with a net book value of £Nil (2020: £Nil) held under finance leases or hire purchase contracts.

Freehold/leasehold property includes freehold properties with a net book value of £15,711,432 (2020: £16,034,262). Included in cost of Freehold/Leasehold property is land of £164,438. (2020: £164,438) which is not being depreciated.

There is a charge over the assets at Mayesbrook Park, Lodge Avenue, Dagenham in regards to funding from The English Sports Council. The funding received is payable on demand upon breach of any terms and conditions.

**19. FIXED ASSET INVESTMENTS**

**Group and Society**

	Shares in group undertakings £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 January 2021 and 31 December 2021	<u>11</u>	<u>286,797</u>	<u>286,808</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>11</u>	<u>286,797</u>	<u>286,808</u>

There were no investment assets outside the UK.

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**19. FIXED ASSET INVESTMENTS - continued**

The Society's investments at the balance sheet date in the share capital of companies include the following:

**Leisure Partners Limited (Company number 07259179)**

Nature of business: Dormant

Class of shares:

Ordinary

% holding

100.00

31.12.21 31.12.20

£ £

Aggregate capital and reserves

10 10

**Woolwich Phase 5 Management Company Limited (Company number 06292797)**

Nature of business: Management Company

Class of shares:

Ordinary

% holding

14.29

31.12.21 31.12.20

£ £

Aggregate capital and reserves

1 1

**GLL (Trading) Limited (Company number 04234158) – Audit exemption has been claimed in respect of the entity's individual accounts in accordance with section 479A of the Companies Act 2006. Greenwich Leisure Limited has guaranteed all of the liabilities of the company.**

Nature of business: Non charitable trading

Class of shares:

Ordinary

% holding

100.00

31.12.21 31.12.20

£ £

Income

2,294,741 1,929,438

Expenditure

(2,073,381) (2,291,247)

Profit/(Loss) for the period

221,360 (361,809)

Aggregate capital and reserves

(140,448) (361,808)

**The Training Room Health and Fitness Limited (Company number 04727904) - Audit exemption has been claimed in respect of the entity's individual accounts in accordance with section 479A of the Companies Act 2006. Greenwich Leisure Limited has guaranteed all of the liabilities of the company.**

Nature of business: Management of leisure services

Class of shares:

Limited by shares

%  
holding

100.00

31.12.21 31.12.20

£

Aggregate funds

- -

Surplus for the period (realisation of revaluation of assets)

- -

**North Country Leisure Limited (Company number 03683103, Charity number 1075009) - Audit exemption has been claimed in respect of the entity's individual accounts in accordance with section 479A of the Companies Act 2006. Greenwich Leisure Limited has guaranteed all of the liabilities of the company.**

Nature of business: Management of leisure services

Class of shares:

Limited by guarantee

%  
holding

100.00

31.12.21 31.12.20

£ £

Income

336,188 2,860,188

Expenditure

(336,188) (2,946,188)

Other recognised gains and losses

- (537,000)

Surplus/(Deficit) for the year

- (623,000)

Aggregate funds

- (1,914,000)

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**20. INVESTMENT PROPERTY**

Group and Society	Total £
<b>COST</b>	
At 1 January 2021 and 31 December 2021	<u>1,192,024</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u>1,192,024</u>
At 31 December 2020	<u>1,192,024</u>

In accordance with FRS 102, investment properties are shown at fair value and are not subject to depreciation. The value of the properties at the balance sheet date has been assessed by the Committee of Management who do not consider there to have been a material change in market value since the properties were purchased in 2010 when an independent valuation was carried out by the vendor. The properties purchased during 2012 are included at cost and the Board consider this to be reflective of the open market value at the balance sheet date.

**21. STOCKS**

	<b>Group</b>		<b>Society</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Stocks	<u>599,892</u>	<u>669,467</u>	<u>599,892</u>	<u>669,467</u>

**22. DEBTORS**

	<b>Group</b>		<b>Society</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	8,182,319	7,205,030	8,182,319	7,205,030
Other debtors	8,076,029	12,980,600	8,076,029	12,980,834
Loans to employees	111,976	102,761	111,976	102,761
Prepayments and accrued income	5,729,798	8,660,914	5,729,798	8,660,914
Amounts receivable on long term contracts	3,894,920	1,891,774	3,894,920	1,891,774
Amounts owed by group undertakings	-	-	140,449	361,809
	<u>25,995,042</u>	<u>30,841,079</u>	<u>26,135,491</u>	<u>31,203,122</u>

	<b>Group</b>		<b>Society</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Amounts falling due after more than one year:				
Loans to employees	3,330	17,277	3,330	17,277
Amounts receivable on long term contracts	4,005,266	4,401,845	4,005,266	4,401,845
Other debtors	<u>1,551,824</u>	<u>1,023,459</u>	<u>1,551,824</u>	<u>1,023,459</u>
	<u>5,560,420</u>	<u>5,442,581</u>	<u>5,560,420</u>	<u>5,442,581</u>
	<u>31,555,462</u>	<u>36,283,660</u>	<u>31,695,911</u>	<u>36,645,703</u>

**GREENWICH LEISURE LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021****22. DEBTORS - continued**

The Society "other debtors" figure of £9,627,853 (2020: £14,004,293) falling due within one year and more than one year includes the following key items:

- Fees due from local authority clients and other partners not invoiced at the yearend amounting to £3,695,242 (2020: £3,780,788);
- GLL Capital developments works in progress amounting to £1,290,921 (2020: £2,097,517);
- Client Capital development works delivered as agents by GLL that had not been recharged at the year-end amounting to £4,641,690 (2020: £8,125,988).

The Society "amounts receivable on long term contracts" falling due after more than one year of £4,005,266 (2020: £4,401,845) relates to Council contract management fees recognised in advance of receipt which are recoverable in more than one year. Under certain contracts, Councils have opted for a "flat line" or "stepped" fee to fit within the Council annual budgets. GLL has agreed to facilitate these cash flow arrangements at a cost where appropriate resulting in these debtors.

No members of the Management Committee are in receipt of loans to employees.

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

	Group		Society	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Bank loans (see note 25)	2,784,612	273,063	2,784,612	273,063
Other loans (see note 25)	2,462,918	4,162,365	2,462,918	4,162,365
Trade creditors	6,363,584	11,556,369	6,363,584	11,556,369
Other creditors	13,335,261	10,815,587	13,335,176	10,786,494
Social security and other taxes	3,012,422	3,030,167	3,012,422	3,012,745
Accrued expenses	19,280,834	25,156,957	19,280,834	25,156,957
Receipts in advance	20,296,934	15,772,799	20,296,934	15,772,799
	<u>67,536,565</u>	<u>70,767,307</u>	<u>67,536,480</u>	<u>70,720,792</u>

**Deferred income**

	31.12.21	31.12.20
	£	£
Deferred income at 1 January	15,772,799	17,057,963
Resources deferred in the year	20,296,934	15,772,799
Amounts released from previous periods	<u>(15,772,799)</u>	<u>(17,057,963)</u>
	<u>20,296,934</u>	<u>15,772,799</u>

Other Creditors of £13,335,261 (2020: £10,815,587) in the Group accounts includes £1,846,083 (2020: £1,291,483) of 3<sup>rd</sup> party income collected as agent and payable upon receipt of a purchase invoice and £5,622,016 (2020: £4,853,639) accrued surplus share payable to local authority clients under contractual arrangements.

Other Creditors of £13,335,176 (2020: £10,786,494) in the Society accounts includes £1,846,083 (2020: £1,291,483) of 3<sup>rd</sup> party income collected as agent and payable upon receipt of a purchase invoice and £5,622,016 (2020: £4,853,639) accrued surplus share payable to local authority clients under contractual arrangements.

The Society deferred income figure of £20,296,934 (2020: £15,772,799) relates to income received in advanced to be credited to the revenue account in the future as and when appropriate. This figure consists of annual management fees for various contracts released over the term of the contract; invoiced income where the prepaid event has not yet occurred; current projects where the income is released as and when it is required; and COVID-19 relief payments received on contracts.

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	<b>Group</b>		<b>Society</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Bank loans (see note 25)	12,065,239	24,573,309	12,065,239	24,573,309
Other loans (see note 25)	9,295,535	4,277,674	9,295,535	4,277,674
	<u>21,360,774</u>	<u>28,850,983</u>	<u>21,360,774</u>	<u>28,850,983</u>

**25. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Society</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Amounts falling due within one year on demand:				
Bank loans	2,784,612	273,063	2,784,612	273,063
Other loans	<u>2,462,918</u>	<u>4,162,365</u>	<u>2,462,918</u>	<u>4,162,365</u>
	<u>5,247,530</u>	<u>4,435,428</u>	<u>5,247,530</u>	<u>4,435,428</u>
Amounts falling due between one and two years:				
Bank loans	7,760,923	5,258,070	7,760,923	5,258,070
Other loans	<u>1,453,958</u>	<u>425,019</u>	<u>1,453,958</u>	<u>425,019</u>
	<u>9,214,881</u>	<u>5,683,089</u>	<u>9,214,881</u>	<u>5,683,089</u>
Amounts falling due between two and five years:				
Bank loans	800,204	15,541,455	800,204	15,541,455
Other loans	<u>5,807,198</u>	<u>1,453,555</u>	<u>5,807,198</u>	<u>1,453,555</u>
	<u>6,607,402</u>	<u>16,995,010</u>	<u>6,607,402</u>	<u>16,995,010</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	3,504,112	3,773,784	3,504,112	3,773,784
Other loans	<u>2,034,379</u>	<u>2,399,100</u>	<u>2,034,379</u>	<u>2,399,100</u>
	<u>5,538,491</u>	<u>6,172,884</u>	<u>5,538,491</u>	<u>6,172,884</u>

In the year ended 31 December 2013 the Society issued a Social Bond. The bond was repayable in 5 years. On 4 October 2018, an offer was made to the holders of the existing bonds inviting them to extend the term of their existing bonds. It ranks pari passu with other unsecured debt and it attracts interest at 3%. The bond was fully redeemed in October 2021.

In 2014 the Society took out a Mortgage which is secured as detailed in note 27. This loan is for 25 years and attracts interest at 1.5%. Capital and interest payments are made monthly.

In the year ended 31 December 2020 the Society secured a Coronavirus Large Business Interruption Loan of £10,000,000. Repayable over 3 years. Interest is charged at 2.4% over the Bank of England base rate.

In the year ended 31 December 2020 the Society renegotiated its Rolling Credit Facility with Barclays. The facility is for £9,750,000 for a period of 3 years. Interest is charged at 2.10% over Bank of England Base rate.

Included within other loans are amounts owed to Newcastle County Council of £4,142,203 (2020: £2,648,474). The facilities are for 24 and 7 years. Interest is charged at 5.23% and 3.42%. There are also amounts owed to Wandsworth Council of £Nil (2020: £126,225) and Cornwall Council of £3,199,000 (2020: £Nil).

Included within other loans are repayments due in respect of Covid Support payments from Local Authorities see Note 7. At the year-end the balance outstanding on these loans was £4,407,089 (2020: £2,541,681).

**GREENWICH LEISURE LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021****26. OPERATING LEASE COMMITMENTS**

Total future minimum lease payments under non-cancellable operating leases fall due as follows:

**Group and Society**

	Land and buildings		Equipment	
	31.12.21 £	31.12.20 £	31.12.21 £	31.12.20 £
Within one year	7,328,658	7,471,458	-	54,789
Between one and five years	31,741,662	32,301,662	-	2,811
In more than five years	39,999,803	48,276,779	-	-
	<u>79,070,123</u>	<u>88,049,899</u>	<u>-</u>	<u>57,600</u>

This note reflects the requirements of FRS 102 section 20. For the purposes of the disclosure we have assumed RPI to be 3.0% and calculated the expected lease rent payments in accordance with the terms of the various leases.

The building leases relate mostly to the stand alone facilities acquired over the years. The remaining terms of these building leases range from 4 years to 22 years

**27. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.21 £	31.12.20 £
Bank loans	14,849,851	24,846,372
Wandsworth Council	-	126,225
Cornwall Council	3,199,000	-
Other loans	4,142,203	2,648,474
Yelverton Properties	<u>3,900</u>	<u>3,900</u>
	<u>22,194,954</u>	<u>27,624,971</u>

**Bank loan**

First legal charge held over leasehold property known as Sporthouse, Mayesbrook Park, Lodge Avenue, Dagenham dated 31 January 2014.

**Bank credit facility**

Revolving credit facility agreement secured on properties.

**Wandsworth Council loan**

Charge over equipment held at Wandsworth Library dated 28 March 2014.

**Cornwall Council loan**

A Covid relief loan of £3,199,000 (2020: £Nil) from Cornwall Council.

**Other loans**

A loan of £4,142,203 (2020: £2,648,474) from Newcastle City Council.

**Yelverton Properties**

A rent deposit of £3,900 equal to the sum of 3 months principal rent relating to Yelverton Properties and is secured with a fixed charge on the assets of the Society.

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**28. EMPLOYEE BENEFIT OBLIGATIONS**

The Society operates defined benefit pension schemes for some employees. The Society has admitted body status to the pension funds. Contributions to the schemes are charged to the Statements of Financial Activities so as to spread the cost of pensions over employees' working lives with the Society in such a way that the pension cost is a substantial level percentage of future pensionable payroll.

Latest actuarial valuations were carried out at 31 March 2019 and updated at the balance sheet date.

**Group**

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Present value of funded obligations	(158,875,000)	(171,045,000)
Fair value of plan assets	<u>103,410,000</u>	<u>100,321,000</u>
Present value of unfunded obligations	<u>(55,465,000)</u>	<u>(70,724,000)</u>
Deficit	<u>(55,465,000)</u>	<u>(70,724,000)</u>
Net liability	<u>(55,465,000)</u>	<u>(70,724,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Current service cost	5,013,000	4,043,000
Administrative expenses	69,000	82,000
Net interest cost	945,000	776,000
Losses/(gains) on curtailments and settlements	<u>7,000</u>	<u>272,000</u>
	<u>6,034,000</u>	<u>5,173,000</u>
Actual return on plan assets	<u>12,056,000</u>	<u>5,856,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Actuarial gains / losses	<u>22,900,000</u>	<u>(29,979,000)</u>
	<u>22,900,000</u>	<u>(29,979,000)</u>
Cumulative amount of actuarial losses	<u>(26,039,991)</u>	<u>(48,939,991)</u>

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**28. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the present value of the defined benefit obligations are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Defined benefit obligation brought forward	(171,045,000)	(128,990,000)
Liabilities acquired	(8,532,000)	-
Current service cost	(5,013,000)	(4,043,000)
Contributions by scheme participants	(759,000)	(859,000)
Interest cost	(2,156,000)	(2,700,000)
Remeasurements	7,567,000	(35,155,000)
Benefits paid	2,229,000	758,000
Past service costs	(7,000)	(272,000)
Administration expenses	(8,000)	(23,000)
Experience (losses)/gains	2,574,000	239,000
Pass-through arrangement movement	16,275,000	-
	<u>(158,875,000)</u>	<u>(171,045,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Fair value of scheme assets brought forward	100,321,000	91,053,000
Assets acquired	4,794,000	-
Contributions by employer	2,131,000	2,365,000
Contributions by scheme participants	759,000	859,000
Interest on assets	1,211,000	1,924,000
Return on assets less interest	10,602,000	3,932,000
Benefits paid	(2,229,000)	(758,000)
Other actuarial gains	243,000	1,005,000
Administration expenses	(61,000)	(59,000)
Pass-through arrangement movement	(14,361,000)	-
	<u>103,410,000</u>	<u>100,321,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
Equities	47.17%	43.57%
Bonds	14.93%	13.08%
Property	9.03%	8.93%
Cash/other	26.24%	34.42%
Gifts	2.63%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**28. EMPLOYEE BENEFIT OBLIGATIONS - continued**

As the Group operates multiple defined benefit schemes, the following table sets out the impact of a small change, in the largest of the schemes (deficit of £39,274,000 at the balance sheet date), in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£ +0.1%	£ 0.0%	£ -0.1%
Adjustment to discount rate			
Present value of total obligation	86,799,000	88,868,000	90,988,000
Projected service cost	3,072,000	3,180,000	3,291,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	92,534,000	88,868,000	85,349,000
Projected service cost	3,328,000	3,180,000	3,038,000

Principal actuarial assumptions at the balance sheet date:

	31.12.21	31.12.20
Discount rate	1.7% - 1.9%	1.3% - 1.5%
Future salary increases	3.3% - 4.3%	2.9% - 3.9%
Future pension increases	2.8% - 2.9%	2.0% - 2.5%
Price increases	2.7% - 2.9%	2.0% - 2.5%

**Society**

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Present value of funded obligations	(158,875,000)	(154,770,000)
Fair value of plan assets	<u>103,410,000</u>	<u>85,960,000</u>
Present value of unfunded obligations	<u>(55,465,000)</u>	<u>(68,810,000)</u>
Deficit	<u>(55,465,000)</u>	<u>(68,810,000)</u>
Net liability	<u>(55,465,000)</u>	<u>(68,810,000)</u>

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**28. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Current service cost	5,013,000	3,607,000
Administrative expenses	69,000	82,000
Net interest cost	945,000	755,000
Losses on curtailments and settlements	7,000	272,000
	<u>6,034,000</u>	<u>4,716,000</u>
Actual return on plan assets	<u>12,056,000</u>	<u>4,298,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Actuarial gains / (losses)	<u>20,986,000</u>	<u>(29,442,000)</u>
	<u>20,986,000</u>	<u>(29,442,000)</u>
Cumulative amount of actuarial losses	<u>(22,074,991)</u>	<u>(43,060,991)</u>

Changes in the present value of the defined benefit obligations are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Defined benefit obligation	(154,770,000)	(115,135,000)
Liabilities acquired	(8,532,000)	-
Current service cost	(5,013,000)	(3,607,000)
Past service cost	(7,000)	(272,000)
Contributions by scheme participants	(759,000)	(800,000)
Interest cost	(2,156,000)	(2,425,000)
Remeasurements	7,567,000	(35,155,000)
Benefits paid	2,229,000	567,000
Administration expenses	(8,000)	(23,000)
Experience (gains)/losses	<u>2,574,000</u>	<u>2,080,000</u>
	<u>(158,875,000)</u>	<u>(154,770,000)</u>

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**28. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
	£	£
Fair value of scheme assets	85,960,000	78,489,000
Assets acquired	4,794,000	-
Contributions by employer	2,131,000	1,994,000
Contributions by scheme participants	759,000	800,000
Interest on assets	1,211,000	1,670,000
Return on assets less interest	10,602,000	2,628,000
Benefits paid	(2,229,000)	(567,000)
Other actuarial gains	243,000	1,005,000
Administration expenses	(61,000)	(59,000)
	<u>103,410,000</u>	<u>85,960,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.12.21	31.12.20
Equities	47.17%	41.09%
Bonds	14.93%	15.75%
Property	9.03%	8.86%
Cash/other	26.24%	34.30%
Gilts	2.63%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

As the Society operates multiple defined benefit schemes, the following table sets out the impact of a small change, in the largest of the schemes (deficit of £39,274,000 at the balance sheet date), in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£ +0.1%	£ 0.0%	£ -0.1%
Adjustment to discount rate			
Present value of total obligation	86,799,000	88,868,000	90,988,000
Projected service cost	3,072,000	3,180,000	3,291,000
Adjustment to mortality age rating assumption			
Present value of total obligation	92,534,000	88,868,000	85,349,000
Projected service cost	3,328,000	3,180,000	3,038,000

Principal actuarial assumptions at the balance sheet date:

	31.12.21	31.12.20
Discount rate	1.7% - 1.9%	1.3% - 1.4%
Future salary increases	3.3% - 4.3%	2.9% - 3.9%
Future pension increases	2.8% - 2.9%	2.4% - 2.5%
Price increases	2.7% - 2.9%	2.4% - 2.5%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**28. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Future employer contribution rates per borough are detailed below:

	ER's % 2020/21	ER's % 2021/22	ER's % 2022/23	ER's % 2023/24
LPFA	24	24	24	24
CITRUS Pension Plan	28.7%+3.9%=32.6% + annual payment of £20k+£1893 per month	28.7%+3.9%=32.6% + annual payment of £20k+£1893 per month	44.1%	44.1%
Royal Borough of Greenwich LGPS (EXCLUDING LIBRARIES)	16	16	16	16
Wiltshire LGPS 1 (Swindon)	34% + 67k	34% + 67k	34% + 67k	34% + 67k
Wiltshire LGPS 2 (Swindon)	0	0	0	0
Northamptonshire LGPS (Cambridge)	28	29	31	31
Copeland	20.6 LESS 30500	20.6 LESS 31200	20.6 LESS 31900	20.6 LESS 31900
South Lakes	21.5 LESS 5900	21.5 LESS 6000	21.5 LESS 6100	21.5 LESS 6100
Newcastle 1	35% + £44,000	35% + £46,000	35% + £48,000	35% + £48,000
Newcastle 2	35	35	35	35

**Additional background information**

As reported in for the previous year, the impact from the pandemic had caused even more volatility in the investment markets than usual and the change in the discount rate had caused the disclosures under FRS102 s 28 pension liability on the balance sheet to almost double. In 2021, the discount rate changed again but this time it had the effect of reducing the accounting deficit by over 20%.

In 2014, the accounting liability on the balance sheet jumped from £11m to £20.45m and then reduced slightly to £19.8m in 2015 (excluding subsidiaries). This movement was mainly due to the change in the discount rate.

In 2016, the accounting pension's liability doubled from £22.5m to £45m. Again, this was caused by a further drop in the discount rate dictated by the accounting standard FRS102s28.

The discount rate dropped a little further in 2017 causing an increase in pension's liabilities. These were mitigated by a more refined use of other assumptions and use of the latest life expectancy model for our largest scheme as well as changes in contractual relationship with some local authorities that remove the liabilities from the GLL balance sheet (Barnet – new contract; Camden – negotiated contract change; Reading – negotiated contract change).

In 2018, the discount rate increased slightly and so the liabilities reduced. In addition, following a review of FRS102 requirements and management contracts in place, it was confirmed that some schemes that had been reported as DB schemes should in fact have been reported as DC schemes in the accounts as the contracts include full pass through of liabilities upon termination (Greenwich Libraries, Somerset and Tower Hamlets).

In 2019, the discount rate dropped again increasing the liabilities "on paper" for accounting purposes.

Separately, in 2019, the schemes underwent their triennial valuations in order to "reset" the employer contribution rates for the 3 years starting from April 2020. Under this valuation method, the combined position of the various funds accounted for as DB in the financial statements amounted to a SURPLUS of £2.6m with most schemes showing as being overfunded. An updated position of the funds in question was sought and showed a combined SURPLUS of £4.8m as at the 31st December 2019.

2020 saw the impact of the pandemic on the investment market and consequently the discount rate. Under FRS102 s28 the DB schemes showed a deficit of £70m whereas the updated valuation under the ongoing basis showed a deficit of £3m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

As at the 31st December 2021, the discount rate had risen slightly having the impact of reducing the accounting liability on the balance sheet from £70m to £55m. At the same time, the actuarial valuation carried out on the ongoing basis confirmed the actual position in the funds as being in SURPLUS of £1.9m.

For clarity, these pension disclosures here relate to Defined Benefit schemes GLL is a member of. Most of these are through membership of the Local Government Pension Schemes (LGPS).

Pensions' valuation and disclosure is a difficult and controversial topic and because of the complexities, it is an area that requires further explanation. It is important to appreciate how the LGPS and other DB pension schemes work and how ongoing contributions requirements are calculated to ensure the scheme remain or become fully funded in the long term.

FRS102 section 28 is an accounting standard in relation to the calculation and disclosure of company pension scheme liabilities. It requires that employers make full provision for all pension scheme liabilities on their balance sheet – both in respect of any outstanding employer contributions (there aren't any) and (more significantly) any attributable share of the pension scheme actuarial deficit in respect of defined benefit schemes.

The FRS102 pensions liability calculation used for accounting purposes are based largely on the actuarial Ongoing Basis calculations (such as inflation, life expectancy etc) **but crucially differ in one key respect – that of the discount factor used to arrive at net present value of any surplus or deficit.** Whereas the "Ongoing Basis" uses estimated actuarial investment returns based on past and expected future performance, the FRS102 calculation uses a return based specifically on AA rated Government gilts. In recent years, the FRS102 calculation has resulted in a significantly lower discount factor than the Ongoing Basis – and therefore much higher net present pension scheme deficits. It is therefore quite common for an organisation like GLL to take on a new local authority contract and a fully funded pension scheme under the Ongoing Basis only to find that this gives rise to a significant FRS102 deficit (which needs full provision in the accounts) due to the specific FRS102 discount factor required to be used.

Future employer contributions are calculated at each tri-annual actuarial valuation. The actuaries calculate the scheme surplus or deficit based on prevailing assumptions around returns, inflation, discount factors, life expectancy etc. and then calculate the employer contribution required to a) maintain and provide for current and future pensions and b) reduce any deficit over time. The employer contributions required are communicated to the employers and remain in place until the next tri-annual valuation. For all LGPS, the last tri-annual actuarial valuation was carried out in 2019 and new rates set for 3 years from April 2020.

The employer contribution rates are therefore established by the actuaries on the Ongoing Basis and have **no direct linkage** to the FRS102 calculations or provisions. To put it another way, a change in the FRS102 provision does not on its own impact the employer contribution.

A few key points to note:

- GLL is up to date with all required employer contributions in all of its schemes.
- The majority of GLL's employees in DB schemes are members of one of the LGPS schemes under admissions agreements – these are subject to tri-annual actuarial valuations, which then establish the actuarial surplus or deficit and the required ongoing employer contribution rates.
- When GLL secures new contracts, it always takes on a fully funded pension liability calculated under the actuarial Ongoing Basis.
- FRS102 requires a different method of calculating a pension scheme deficit – based on AA rated bond yields rather than actuarial forecast investment returns. Due to this, FRS102 gives rise to significantly higher deficit calculations for accounting purposes – however, it is important to understand that FRS102 is not the recognised actuarial method to calculate the necessary contribution rate and almost certainly overstates the actuarial liability in the accounts.
- GLL's required employer contributions only change every three years based on the tri-annual actuarial valuation on the Ongoing Basis. Changes to the annual FRS102 valuation do not impact GLL's employer contribution.
- Government bond yields (on which the FRS102 discount factor calculations are based) are at extremely low levels – *this gives rise to higher net present pension scheme deficits. It seems more likely that discount factors will increase rather than decrease further in future – which should mean accounting deficits are more likely to shrink rather than increase.*
- GLL does have joint and several liability under most LGPSs in which its employees are members – although we believe that the major employer (i.e. the local authority) provides an indemnity to third parties against the failure of other third party employers.

## GREENWICH LEISURE LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2021

#### 28. EMPLOYEE BENEFIT OBLIGATIONS - continued

In order to illustrate the differences between the valuation methods, GLL asked the actuaries to evaluate the position of the funds under both "FRS102" for the accounts and under the "ongoing basis" method and assumptions for DB schemes.

Pension Fund (£'000)	FRS102 as at 31/12/21	Ongoing Basis as at 31/12/21	Difference
<b>GLL</b>			
LPFA	(6,440)	718	7,158
CITRUS Pension Plan	(1,153)	(1,214)	(61)
Royal Borough of Greenwich LGPS (EXCLUDING LIBRARIES)	(39,274)	(2,453)	36,821
Wiltshire LGPS 1 (Swindon)	86	1,718	1,632
Wiltshire LGPS 2 (Swindon)	(2,650)	858	3,508
Merton	(794)	5	799
Northamptonshire LGPS (Cambridge)	(568)	265	833
Copeland	(981)	1,546	2,527
South Lakes	(1,045)	425	1,470
Newcastle (Tyne & Wear) – new 2021	(2,646)	28	2,674
<b>Total</b>	<b>(55,465)</b>	<b>1,896</b>	<b>57,361</b>

As can be seen by the valuations in the table above, the differences are significant and material. It therefore needs to be understood when evaluating GLL's financial position.

The largest difference relates to the Greenwich Scheme. In 2015, the scheme's Actuaries explained the position as follows. These comments remain relevant today:

*"The most significant reason for this difference is the change in financial assumptions on the ongoing basis compared to that of the FRS102 basis, in particular that of the discount rate. FRS102 prescribes that the discount rate should be based on market yields at the reporting date of 'high quality corporate bonds' of equivalent currency and term to the employer's liabilities. The discount rate used for all reports was the 23 year point on the Merrill Lynch AA-rated corporate bond yield curve. This method therefore disregards the actual investments of the Fund and assumes that all assets will earn an investment return in line with corporate bonds only.*

*The discount rate used on the ongoing funding basis for each Fund is based on the funding strategy of that Fund. The Royal Borough of Greenwich Pension Fund is invested in a range of different assets, several of which have a higher expected return than that of corporate bonds. As a result, the discount rate used on the ongoing funding basis is significantly higher than that on the FRS102 basis, thereby decreasing the value placed on the employer's liabilities. This effectively means, based on the assumptions used on the FRS102 basis, significantly more assets would need to be held by the employer in order to meet the cost of benefits accrued compared to the ongoing funding basis. This is the main reason for the perceived discrepancy.*

*It should be noted that the FRS102 reports are for accounting purposes only and are not used to determine contributions to be made from the employer to the Fund, which are based on the ongoing funding position."*

#### 29. CONTINGENT LIABILITIES

The Society has insurance cover relating to Performance and Pension Bonds as at 31 December 2021 of £6,042,400 (2020: £8,292,400).

Included in cash balances is a cash collateral deposit of £60,000 for the benefit of North Somerset Council. This is required under the terms of the service agreement to operate Churchill Leisure Centre and to facilitate the continuity of service in the event of the company ceasing to operate.

GREENWICH LEISURE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021

30. CALLED UP SHARE CAPITAL

Group and Society

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.21 £	31.12.20 £
1,632 (2020: 1,728)	Ordinary	£25	<u>40,800</u>	<u>43,200</u>

209 shares (2020: 142) of £25 each were allotted and fully paid for cash at par during the year. During the year 305 shares (2020: 312 shares) were forfeited and cancelled due to the members having left the Society.

The Society maintains an up to date register of all members and their share holdings.

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**31. MOVEMENT IN FUNDS**

**Group**

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
<b>Unrestricted funds</b>				
General funds	19,871,993	2,366,896	(45,000)	22,193,889
Pension liability	(70,724,000)	15,259,000	-	(55,465,000)
Share capital	43,200	(2,400)	-	40,800
Designated Fund – Copeland	191,726	-	-	191,726
Designated Fund – South Lakes	102,648	-	-	102,648
Designated fund – Finesse	257,814	(84,027)	45,000	218,787
	(50,256,619)	17,539,469	-	(32,717,150)
<b>Restricted funds</b>				
For the Girls, by the girls	39,848	(39,848)	-	-
I am Tower Hamlets	9,978	-	-	9,978
Lincolnshire Arts Council	21,108	(21,108)	-	-
Dementia Friendly Swimming	2,063	-	-	2,063
Swindon Zurich	110,615	(52,590)	-	58,025
Manchester Social Value Contribution	-	2,564	-	2,564
	183,612	(110,982)	-	72,630
<b>TOTAL FUNDS</b>	<b>(50,073,007)</b>	<b>17,428,487</b>	<b>-</b>	<b>(32,644,520)</b>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
<b>Unrestricted funds</b>				
General funds	197,408,334	(195,041,438)	-	2,366,896
Pension liability	-	(3,903,000)	19,162,000	15,259,000
Share capital	5,225	(7,625)	-	(2,400)
Designated fund - Finesse	-	(84,027)	-	(84,027)
	197,413,559	(199,036,090)	19,162,000	17,539,469
<b>Restricted funds</b>				
For the Girls, by the girls	-	(39,848)	-	(39,848)
Lincolnshire Arts Council	-	(21,108)	-	(21,108)
Swindon Zurich	13,324	(65,914)	-	(52,590)
Manchester Social Value Contribution	5,477	(2,913)	-	2,564
Coronavirus Job Retention Scheme grant	26,966,377	(26,966,377)	-	-
National Leisure Recovery Fund	11,583,198	(11,583,198)	-	-
	38,568,376	(38,679,358)	-	(110,982)
<b>TOTAL FUNDS</b>	<b>235,981,935</b>	<b>(237,715,448)</b>	<b>19,162,000</b>	<b>17,428,487</b>

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**31. MOVEMENT IN FUNDS - continued**

**Group - previous year**

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
<b>Unrestricted funds</b>				
General funds	38,324,801	(18,407,808)	(45,000)	19,871,993
Pension liability	(37,937,000)	(32,787,000)	-	(70,724,000)
Share capital	47,450	(4,250)	-	43,200
Designated fund – Copeland	191,726	-	-	191,726
Designated fund – South Lakes	102,648	-	-	102,648
Designated fund – Finesse	224,814	(12,000)	45,000	257,814
	954,439	(51,211,058)	-	(50,256,619)
<b>Restricted funds</b>				
For the Girls, by the girls	41,018	(1,170)	-	39,848
I am Tower Hamlets	2,197	7,781	-	9,978
Lincolnshire Arts Council	21,108	-	-	21,108
Swindon Zurich	112,796	(2,181)	-	2,063
Dementia Friendly Swimming	3,678	(1,615)	-	110,615
	180,797	2,815	-	183,612
<b>TOTAL FUNDS</b>	1,135,236	(51,208,243)	-	(50,073,007)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
<b>Unrestricted funds</b>				
General funds	166,145,820	(184,553,628)	-	(18,407,808)
Pension liability	-	(2,808,000)	(29,979,000)	(32,787,000)
Share capital	3,550	(7,800)	-	(4,250)
Designated fund - Finesse	-	(12,000)	-	(12,000)
	166,149,370	(187,381,428)	(29,979,000)	(51,211,058)
<b>Restricted funds</b>				
For the Girls, by the girls	-	(1,170)	-	(1,170)
I am Tower Hamlets	7,781	-	-	7,781
Lincolnshire Arts Council	-	-	-	-
Swindon Zurich	91,730	(93,911)	-	(2,181)
Dementia Friendly Swimming	-	(1,615)	-	(1,615)
Coronavirus Job Retention Scheme grant	52,484,366	(52,484,366)	-	-
	52,583,877	(52,581,062)	-	2,815
<b>TOTAL FUNDS</b>	218,733,247	(239,962,490)	(29,979,000)	(51,208,243)

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**31. MOVEMENT IN FUNDS - continued**

**Society**

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
<b>Unrestricted funds</b>				
General funds	20,233,802	2,145,536	(45,000)	22,334,338
Pension liability	(68,810,000)	13,345,000	-	(55,465,000)
Share capital	43,200	(2,400)	-	40,800
Designated Fund – Copeland	191,726	-	-	191,726
Designated Fund – South Lakes	102,648	-	-	102,648
Designated Fund - Finesse	257,814	(84,027)	45,000	218,787
	(47,980,810)	15,404,109	-	(32,576,701)
<b>Restricted funds</b>				
For the Girls, by the girls	39,848	(39,848)	-	-
I am Tower Hamlets	9,978	-	-	9,978
Lincolnshire Arts Council	21,108	(21,108)	-	-
Dementia Friendly Swimming	2,063	-	-	2,063
Swindon Zurich	110,615	(52,590)	-	58,025
Manchester Social Value Contribution	-	2,564	-	2,564
	183,612	(110,982)	-	72,630
<b>TOTAL FUNDS</b>	<b>(47,797,198)</b>	<b>15,293,127</b>	<b>-</b>	<b>(32,504,071)</b>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
<b>Unrestricted funds</b>				
General funds	195,553,420	(193,407,884)	-	2,145,536
Pension liability	-	(3,903,000)	17,248,000	13,345,000
Share capital	5,225	(7,625)	-	(2,400)
Designated fund – Finesse	-	(84,027)	-	(84,027)
	195,558,645	(197,402,536)	17,248,000	15,404,109
<b>Restricted funds</b>				
For the Girls, by the girls	-	(39,848)	-	(39,848)
Lincolnshire Arts Council	-	(21,108)	-	(21,108)
Swindon Zurich	13,324	(65,914)	-	(52,590)
Manchester Social Value Contribution	5,477	(2,913)	-	2,564
Coronavirus Job Retention Scheme grant	26,268,127	(26,268,127)	-	-
National Leisure Recovery Fund	11,583,198	(11,583,198)	-	-
	37,870,126	(37,981,108)	-	(110,982)
<b>TOTAL FUNDS</b>	<b>233,428,771</b>	<b>(235,383,644)</b>	<b>17,248,000</b>	<b>15,293,127</b>

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**31. MOVEMENT IN FUNDS - continued**

**Society - previous year**

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
<b>Unrestricted funds</b>				
General funds	38,324,799	(18,045,997)	(45,000)	20,233,802
Pension liability	(36,646,000)	(32,164,000)	-	(68,810,000)
Share capital	47,450	(4,250)	-	43,200
Designated Fund – Copeland	191,726	-	-	191,726
Designated Fund – South Lakes	102,648	-	-	102,648
Designated Fund - Finesse	224,814	(12,000)	45,000	257,814
	<u>2,245,437</u>	<u>(50,226,247)</u>	<u>-</u>	<u>(47,980,810)</u>
<b>Restricted funds</b>				
For the Girls, by the girls	41,018	(1,170)	-	39,848
I am Tower Hamlets	2,197	7,781	-	9,978
Lincolnshire Arts Council	21,108	-	-	21,108
Swindon Zurich	112,796	(2,181)	-	110,615
Dementia Friendly Swimming	3,678	(1,615)	-	2,063
	<u>180,797</u>	<u>2,815</u>	<u>-</u>	<u>183,612</u>
<b>TOTAL FUNDS</b>	<u>2,426,234</u>	<u>(50,223,432)</u>	<u>-</u>	<u>(47,797,198)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
<b>Unrestricted funds</b>				
General funds	162,179,631	(180,225,628)	-	(18,045,997)
Pension liability	-	(2,722,000)	(29,442,000)	(32,164,000)
Share capital	3,550	(7,800)	-	(4,250)
Designated fund – Finesse	-	(12,000)	-	(12,000)
	<u>162,183,181</u>	<u>(182,967,428)</u>	<u>(29,442,000)</u>	<u>(50,226,247)</u>
<b>Restricted funds</b>				
For the Girls, by the girls	-	(1,170)	-	(1,170)
I am Tower Hamlets	7,781	-	-	7,781
Lincolnshire Arts Council	-	-	-	-
Swindon Zurich	91,730	(93,911)	-	(2,181)
Dementia Friendly Swimming	-	(1,615)	-	(1,615)
Coronavirus Job Retention Scheme grant	50,668,489	(50,668,489)	-	-
	<u>50,768,000</u>	<u>(50,765,185)</u>	<u>-</u>	<u>2,815</u>
<b>TOTAL FUNDS</b>	<u>212,951,181</u>	<u>(233,732,613)</u>	<u>(29,442,000)</u>	<u>(50,223,432)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021

**31. MOVEMENT IN FUNDS - continued**

**RESTRICTED FUND – FOR THE GIRLS, BY THE GIRLS**

National Lottery funding was secured to support the 'for the Girls, by the Girls' project which aims to encourage inactive girls and women aged between 14 and 25 to take part in physical activity.

**RESTRICTED FUND – ARTS COUNCIL**

Funding has been received for a Roald Dahl exhibition at libraries run in Lincolnshire.

**RESTRICTED FUND – I AM TOWER HAMLETS**

Increased sport and physical activity participation of the following groups:

Inactive People

Women & Girls

Young People

Older People (50+ years)

People with disabilities

**RESTRICTED FUND – SWINDON ZURICH**

Funding received from Zurich Community Trust to provide community activities for the older generation who are often socially isolated, the funding covers staffing costs for these events.

**RESTRICTED FUND – DEMENTIA FRIENDLY SWIMMING**

Funding from Swim England to provide swimming sessions for dementia sufferers – funding covered staff costs and hire of facilities.

**RESTRICTED FUND – MANCHESTER SOCIAL VALUE CONTRIBUTION**

Funding from Manchester City Council provided to get more for the people of Manchester by buying the services and supplies that keep Manchester City ticking and growing. Social Value means extra value for Manchester residents. It means fairer work, health, wealth and happiness for every Manchester resident to enjoy.

**RESTRICTED FUND – CORONAVIRUS JOB RETENTION SCHEME GRANT**

Funding received from the UK Government to cover a proportion of the salaries of furloughed staff during the COVID-19 pandemic.

**RESTRICTED FUND – NATIONAL LEISURE RECOVERY FUND**

Funding received from the UK Government to support public sector leisure centres to reopen to the public during the COVID-19 pandemic.

**DESIGNATED FUND – COPELAND**

Includes a fund set up to meet future possible pension liabilities in connection with the Copeland Contract and a separate fund for maintenance responsibilities that will occur over the life of the contract.

**DESIGNATED FUND – SOUTHLAKES**

Includes a fund set up to meet future possible pension liabilities in connection with the South Lakes Contract and a separate fund for maintenance responsibilities that will occur over the life of the contract.

**DESIGNATED FUND – FINESSE**

**COMMUNITY FUND**

£260,000 of the net Assets transferred by WHLL to GLL on the Completion Date is held by GLL as a designated fund to be applied solely for charitable community purposes to support local initiatives in Welwyn Hatfield.

For a period of 11 years starting on and including the Completion Date, GLL shall transfer not less than £45,000 per annum into the Community Fund.

**GREENWICH LEISURE LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021****31. MOVEMENT IN FUNDS - continued****ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>Group</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Fixed assets	46,139,300	-	46,139,300
Current assets	65,505,889	72,630	65,578,519
Current liabilities	(67,536,565)	-	(67,536,565)
Long term liabilities	(21,360,774)	-	(21,360,774)
Pension scheme liability	(55,465,000)	-	(55,465,000)
<b>Total net assets</b>	<b>(32,717,150)</b>	<b>72,630</b>	<b>(32,644,520)</b>

<b>Society</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Fixed assets	46,139,300	-	46,139,300
Current assets	65,646,253	72,630	65,718,883
Current liabilities	(67,536,480)	-	(67,536,480)
Long term liabilities	(21,360,774)	-	(21,360,774)
Pension scheme liability	(55,465,000)	-	(55,465,000)
<b>Total net assets</b>	<b>(32,576,701)</b>	<b>72,630</b>	<b>(32,504,071)</b>

**GREENWICH LEISURE LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2021****31. MOVEMENT IN FUNDS - continued****ANALYSIS OF NET ASSETS BETWEEN FUNDS - previous year****Group**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	52,293,068	-	52,293,068
Current assets	67,792,603	183,612	67,976,215
Current liabilities	(70,767,307)	-	(70,767,307)
Long term liabilities	(28,850,983)	-	(28,850,983)
Pension scheme liability	(70,724,000)	-	(70,724,000)
Total net assets	<u>(50,256,619)</u>	<u>183,612</u>	<u>(50,073,007)</u>

**Society**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	52,293,068	-	52,293,068
Current assets	68,107,897	183,612	68,291,509
Current liabilities	(70,720,792)	-	(70,720,792)
Long term liabilities	(28,850,983)	-	(28,850,983)
Pension scheme liability	(68,810,000)	-	(68,810,000)
Total net assets	<u>(47,980,810)</u>	<u>183,612</u>	<u>(47,797,198)</u>

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**32. RECONCILIATION OF MOVEMENTS IN FUNDS**

**Group**

	31.12.21	31.12.20
	£	£
Surplus/(Deficit) for the financial year	(1,731,113)	(21,224,993)
Other recognised gains and losses relating to the year (net)	19,162,000	(29,979,000)
Shares issued during the year	5,225	3,550
Shares cancelled during the year	<u>(7,625)</u>	<u>(7,800)</u>
<b>Net addition to funds</b>	17,428,487	(51,208,243)
Opening funds	<u>(50,073,007)</u>	<u>1,135,236</u>
<b>Closing funds</b>	<u>(32,644,520)</u>	<u>(50,073,007)</u>

**Society**

	31.12.21	31.12.20
	£	£
Surplus/(Deficit) for the financial year	(1,952,473)	(20,777,182)
Other recognised gains and losses relating to the year (net)	17,248,000	(29,442,000)
Shares issued during the year	5,225	3,550
Shares cancelled during the year	<u>(7,625)</u>	<u>(7,800)</u>
<b>Net addition to funds</b>	15,293,127	(50,223,432)
Opening funds	<u>(47,797,198)</u>	<u>2,426,234</u>
<b>Closing funds</b>	<u>(32,504,071)</u>	<u>(47,797,198)</u>

**33. CAPITAL COMMITMENTS**

	<b>Group</b>		<b>Society</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Contracted for but not provided for in the financial statements	<u>304,750</u>	<u>-</u>	<u>304,750</u>	<u>-</u>

At 31 December 2021 there was capital expenditure authorised by the committee of management but not contracted for of £304,750 (2020: £Nil).

**34. ULTIMATE CONTROLLING PARTY**

The Society is controlled by its members, none of whom have any controlling powers over the Society. The day to day running of the Society rests with its Committee of Management.

**GREENWICH LEISURE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**35. RELATED PARTY DISCLOSURES**

Certain committee members hold social bonds in the Society: Interest on these amounts is paid out annually on 31 October. The following gross interest payments were made during the year:

Mark Sesnan	£750
Matt Perren	£60
Alan Ritchie	£60
Gareth Kirk	£60

During the year Greenwich Leisure Limited loaned Openplay Limited, a company in which Greenwich Leisure Limited is a shareholder, £500,000 (2020: £600,000). Interest of £28,364 was charged on the loan balance in the year (2020: £38,045). As at 31 December 2021, Openplay Limited owes £1,551,823 (2020: £1,023,459) to Greenwich Leisure Limited, on which interest is accruing at 5%. This amount is included within debtors at the year end.

**APPENDIX GREENWICH LEISURE LIMITED**

**SOCIETY STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND  
STATEMENT OF OTHER COMPREHENSIVE INCOME)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	31.12.21 Unrestricted Funds	31.12.21 Restricted Funds	31.12.21 FRS 102 Adjustment Unrestricted	31.12.21 Total Funds	31.12.20 Total Funds excl FRS 102	31.12.20 Total Funds
	£	£	£	£	£	£
<b>INCOME</b>						
Donations and legacies	350,911	37,851,324	-	38,202,235	50,668,489	50,668,489
<b>Income from charitable activities</b>						
Operation of leisure, recreation sites and health activities	197,180,251	18,802	-	197,199,053	156,157,405	156,157,405
<b>Income from other trading activities</b>						
Investment income	55,653	-	-	55,653	35,814	35,814
<b>Other income</b>	<u>(2,033,395)</u>	<u>-</u>	<u>-</u>	<u>(2,033,395)</u>	<u>6,085,923</u>	<u>6,085,923</u>
<b>Total income</b>	195,553,420	37,870,126	-	233,423,546	212,947,631	212,947,631
<b>EXPENDITURE ON</b>						
<b>Raising Funds</b>						
Investment management costs	49,180	-	-	49,180	28,216	28,216
<b>Charitable activities</b>						
Operation of leisure, recreation sites and health activities	193,339,290	37,981,108	3,903,000	235,223,398	230,870,256	233,592,256
<b>Other expenditure</b>	<u>103,441</u>	<u>-</u>	<u>-</u>	<u>103,441</u>	<u>104,341</u>	<u>104,341</u>
<b>Total expenditure</b>	193,491,911	37,981,108	3,903,000	235,376,019	231,002,813	233,724,813
<b>Net income/(expenditure) for the year before other recognised gains and losses</b>	2,061,509	(110,982)	(3,903,000)	(1,952,473)	(18,055,182)	(20,777,182)

**APPENDIX GREENWICH LEISURE LIMITED**

**SOCIETY STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND  
STATEMENT OF OTHER COMPREHENSIVE INCOME)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	31.12.21 Unrestricted Funds	31.12.21 Restricted Funds	31.12.21 FRS 102 Adjustment Unrestricted	31.12.21 Total Funds	31.12.20 Total Funds excl FRS 102	31.12.20 Total Funds
	£	£	£	£	£	£
<b>Net income/(expenditure) for the year before other recognised gains and losses</b>	2,061,509	(110,982)	(3,903,000)	(1,952,473)	(18,055,182)	(20,777,182)
<b>Transfers between funds</b>	-	-	-	-	-	-
Remeasurement gains/(losses) on defined benefit schemes	-	-	20,986,000	20,986,000	-	(29,442,000)
Net liabilities acquired on schemes	-	-	(3,738,000)	(3,738,000)	-	-
<b>Net movement in funds</b>	2,061,509	(110,982)	13,345,000	15,295,527	(18,055,182)	(50,219,182)
Shares issued	5,225	-	-	5,225	3,550	3,550
Shares cancelled	(7,625)	-	-	(7,625)	(7,800)	(7,800)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	20,829,190	183,612	(68,810,000)	(47,797,198)	39,072,234	2,426,234
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>22,888,299</u>	<u>72,630</u>	<u>(55,465,000)</u>	<u>(32,504,071)</u>	<u>21,012,802</u>	<u>(47,797,198)</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure arises from acquired and continuing activities.