

Annual Return (AR30) form

Section 1 – About this form

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965) or the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1969). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register
<https://mutuals.fca.org.uk>.

For guidance on our registration function for societies under the Co-operative and Community Benefit Societies Act 2014, which includes guidance on the requirement to submit an Annual Return, please see here:
<https://www.fca.org.uk/publication/finalised-guidance/fq15-12.pdf>

Section 2 – About this application

Society name	Greenwich Leisure Limited
Register number	IP27793R
Registered address	Middlegate House, The Royal Arsenal, London
Postcode	SE18 6SX

2.1 What date did the financial year covered by these accounts end?

3	1	1	2	2	0	2	0
---	---	---	---	---	---	---	---

Section 3 – People

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers. Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of director	Month and year of birth	
Jonathan Mark Sesnan	October	1955
Alan Ritchie	January	1973
Gareth Kirk	February	1981
Peter Brooks	September	1956
Denise Hyland	November	1951
Nick Evans	July	1957
Matt Perren	November	1984
Paul Shearman	August	1972
Ella Gosden	February	1985
Emily Thoroughgood	May	1991
Jennifer Seale	January	1980
Kulvinder Gaiinda	November	1977

Continue on to a separate sheet if necessary.

3.2 All directors must be 16 or older. Please confirm this is this case:

All directors are aged 16 or over ☒

3.3 Societies are within the scope of the Company Directors Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

No director is disqualified ☒

3.4 Please state any close links which any of the directors has with any society, company or authority. 'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

J M Sensan is a director of the following companies:

The Sports and Recreation Trusts Association
 London Leisure College Limited
 GLL Sports Foundation Limited (Dormant)
 UKACTIVE
 Meridian Link Limited
 GLL (Trading) Limited
 Leisure Partners Limited
 Open Play Ltd
 Community Leisure UK

P Brooks is a director in the following companies:

Trust for London Trustee
 Bellingham Community Project Limited
 Bellingham Community Project Management Company Limited
 Woolwich Creative District Trust

C Dean is a director of Forum+ Ltd.

C Roberts is a director in the following companies:

Durham County Cricket Foundation
 North Country Leisure
 Northern Education Trust

W Brown is a director of Ability Net.

S Tranchell is a director of Trading Visions.

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers. Societies must have a secretary.

Name of secretary	Month and year of birth	
Philip Donnay	August	1970

Section 4 – Financial information

4.1 Please confirm that:

- accounts are being submitted with this form ☒
- the accounts comply with relevant statutory and accounting requirements ☒
- the accounts are signed by two members and the secretary (3 signatures in total) ☒

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members	1,728
Turnover	£218,729,697
Assets	£20,650,993
Number of employees (if any)	10,167
Share capital	43,200
Highest rate of interest paid on shares (if any)	N/A

4.3 What Standard Industrial Classification code best describes the society's main business? Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes here: <http://resources.companieshouse.gov.uk/sic/>

93130

Section 5 – Audit

Societies are required to appoint an auditor to audited unless they are small or have disapplied this requirement. For further guidance see chapter 7 of our guidance: <https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

5.1 Please select the audit option the society has complied with:

- | | |
|----------------------------------|-------------------------------------|
| Full professional audit | <input checked="" type="checkbox"/> |
| Auditor's report on the accounts | <input type="checkbox"/> |
| Lay audit | <input type="checkbox"/> |
| No audit | <input type="checkbox"/> |

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

We have complied with the audit requirements ☒

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

- Yes ☒
- Not applicable ☐

The information below impacts the level of audit required of the society's accounts. Please provide answers to the following questions.

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

- Yes ☒
- No ☐

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

Not applicable ☒

OSCR number:	
--------------	--

5.6 Is the society a housing association?

No ☒ Go to **section 6**

Yes ☐ Go to question **5.7**

5.7 Please confirm which housing regulator you are registered with, and provide the registration number they have given you:

		Registration number
Homes and Communities Agency	<input type="checkbox"/>	
Scottish Housing Regulator	<input type="checkbox"/>	
The Welsh Ministers	<input type="checkbox"/>	
Department for Communities (Northern Ireland)	<input type="checkbox"/>	

Section 6 – Subsidiaries

6.1 Is the society a subsidiary of another society?

Yes ☐

No ☒

6.2 Does the society have one or more subsidiaries? (As defined in sections 100 and 101 of the Act)

Yes ☒ Continue to question 6.3

No ☐ Continue to Section 7

6.3 If the society has subsidiaries, please provide the names of them below (or attach an additional sheet)

Registration Number	Name
04234158	GLL (Trading) Limited
04727904	The Training Room Health and Fitness Limited
03683103	North Country Leisure Limited

6.4 Please provide below (or on a separate sheet) the names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions: (the society must have written authority from us to exclude a subsidiary from group accounts)

Registration Number	Name	Reason for exclusion
07259179	Leisure Partners Limited	Dormant
04727904	The Training Room Health and Fitness Limited	Dormant
02880581	Gosling Leisure Limited	Dissolved

Section 7– Condition for registration

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); **or**
- are conducting business for the benefit of the community ('community benefit society').

A society must answer the questions set out in either Section 7A or Section 7B of this form, depending on which condition of registration it meets.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

Section 7A - Co-operative societies

Co-operative societies must answer the following questions in relation to the financial year covered by this return.

7A.1 What is the business of the society? For example, did you provide housing, manufacture goods, develop IT systems etc.

N/A

7A.2 Please describe the members' common economic, social and cultural needs and aspirations. In answering this question, please make sure it is clear what needs and aspirations members had in common.

N/A

7A.3 How did the society's business meet those needs and aspirations?

You have described the society's business answer to question 7A.1, and in question 7A.2 you have described the common needs and aspirations of members. Please now describe how during the year that business met those common needs and aspirations.

N/A

7A.4 How did members democratically control the society? For example, did the members elect a board at an annual general meeting; did all members collectively run the society.

N/A

7A.5 What did the society do with any surplus or profit? For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

N/A

Section 7B - Community benefit societies

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

7B.1 What is the business of the society? For example, did you provide social housing, run an amateur sports club etc.

To deliver sustainable and affordable provision of facilities and services for the public benefit for recreational, sporting, cultural and other leisure time occupation in the interest of social welfare, healthy living and education.

7B.2 Please describe the benefits to the community the society delivered? Here we are looking to see *what* the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

- Provided 31 COVID testing centres and 8 COVID mass vaccination centres.
- Thousands of pounds of PPE collected from closed centres were donated to St Thomas's Hospital London and other sites.
- Better Health telephone support service launched during lockdown to support vulnerable customers.
- Worked with over 100 partners to help engage with local communities.
- Opened 3 new centres.

7B.3 Please describe how the society's business delivered these benefits? The business of the society must be conducted for the benefit of the community. Please describe *how* the society's business (as described in answer to question 7B.1) provided benefit to the community.

Improved access to service, achieving social impact goals, reducing inequalities, promoting empowerment, integration, cohesion, health and wellbeing.

7B.4 Did the society work with a specific community, and if so, please describe it here? For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

The society works for the benefit of the general public and the communities that are local to the individual centres.

7B.5 What did the society do with any surplus or profit? For instance, did you donate the money; did money get reinvested in the business; put into reserves; used for some other purpose?

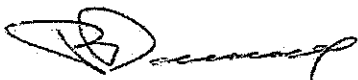
Used to deliver services and facilities that are consistently rated as excellent to increase participants in sport and physical activity.

7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest. Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

None

Section 8– Declaration

The secretary of the society must complete this section.

Name	Philip Donnay
My signature below confirms that the information in this form is accurate to the best of my knowledge	
Signature 	
Position	Secretary
Date	1 September 2021

Section 9 – Submitting this form

Please submit a signed, scanned version of this form along with your accounts and any auditor's report by email to: mutualsannrtns@fca.org.uk.

Or you can post the form to:

Mutual Societies
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

This form is available on the Mutuals Society Portal:

<https://societyportal.fca.org.uk>

Registered as a Limited Company in England and Wales No. 1920623. Registered office as above.

Section 3 – People

3.1 Continued...

Name of director	Month and year of birth	
Charles Dean	November	1965
Weronika Wardulenska	September	1978
Adel Khaireh	August	1980
William Brown	October	1948
Christopher Roberts	October	1950
Angela Comforth	April	1952
Sophi Tranchell	August	1964
Carolyn Myring	June	1956
Natalie Palmer	September	1978

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 2020
FOR
GREENWICH LEISURE LIMITED

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

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Report of the Committee of Management, including Strategic Report	1-21
Reference and administrative details of the Society, its Members and advisors	1
Structure, governance and management	2-4
Objectives and activities, including 'Core purpose'	4-7
Strategic report	7
- Achievements and performance	7-10
- Financial review	10-12
Social impact and public benefit	12-16
Employment and Engagement	16
GLL's Green Agenda	17-19
Plans for future periods – 'Looking to the future and delivering our ambition'	20
Committee of Management's responsibilities	21
Report of the Independent Auditors	22-24
Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account and Statement of Other Comprehensive Income)	25-26
Consolidated Balance Sheet	27
Society Balance Sheet	28
Consolidated Cash Flow Statement	29
Notes to the Consolidated Cash Flow Statement	30
Notes to the Consolidated Financial Statements	31-70

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2020**

The Committee of Management present their report, with the consolidated financial statements of the Society and its subsidiaries for the year ended 31 December 2020. 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	
A Ritchie	
G Kirk	
P Brooks	- Reappointed 19/05/2020
M Perren	
E Gosden	- Resigned 25/11/2020
E Thoroughgood	
J Seale	
K Gaiinda	
C Dean	
W Wardulenska	
A Kaireh	- Resigned 19/05/2020
W Brown	- Reappointed 25/11/2020
C Roberts	- Reappointed 25/11/2020
A Cornforth	- Resigned 19/05/2020
S Tranchell	- Reappointed 25/11/2020
C Myring	
D Hyland	- Appointed 19/05/2020
N Palmer	- Reappointed 25/11/2020
N Evans	- Appointed 25/11/2020
P Shearman	- Appointed 25/11/2020

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 2020

The Committee of Management, also referred to in this report as the Board of Trustees, present their report with the financial statements of the Society for the year ended 31 December 2020.

This year's report is somewhat different to 'normal' years as GLL faced the impact of the COVID-19 pandemic. Large sections of the report focus on our actions to mitigate the pandemic's impact and ensure GLL remains a going concern.

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.

GLL was established in 1993 with a portfolio of seven leisure centres in one Partnership. In 2020, 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 its 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.

Some services in the Newcastle contract were delivered to GLL by its other wholly owned subsidiary, North Country Leisure. This included the provision of staffing. These services were recharged in full and at cost to GLL. As at the 1st April 2021, all services and employment were transferred from NCL to GLL leaving NCL dormant. NCL will be wound up in 2021.

The income turnover of GLL in 2020 was expected to be around £315m. GLL was, like all businesses, hit by the COVID-19 pandemic from March 2020. The impact continued to be felt throughout the year with most facilities closed for a large part of the year. As a result, primary purpose trading income turnover for the year fell to £145m (see note 4). In addition, GLL received £64m of support from various sources to help offset costs and maintain the employment of our workforce (see note 3 and 4). 2020 was an extraordinary year as will be 2021 as we continue to fight the impact of the pandemic. It is anticipated that GLL should return to normal operation and turnover levels from April 2022. The structure and purpose of GLL remain unchanged.

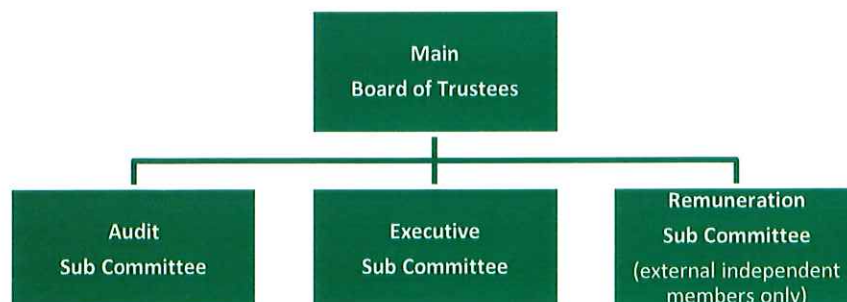
GLL continues to be acknowledged as the UK's leading and largest charitable social enterprise delivering leisure, health, cultural and community services. We will play a vital role in addressing the health and wellbeing of the nation as we come out of the pandemic.

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 2020

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. Although the long term plan had to be put to one side as we focussed on our response to the pandemic, it remains relevant for the long term. Many strategic developments in the digital space were in fact fast tracked. Because of the extraordinary circumstances, the Chief Officers met with the worker board and the independent trustees every 2 to 3 weeks from April to December.

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 and for this year our response to the pandemic was 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 (Deputy CEO), Philip Donnay (Chief Finance & Resources Officer) and Andy Bindon (Chief Officer for Change and Values).

As we faced our biggest challenge yet, our leadership, guided by our CEO, was reorganised to deliver under the following work themes and focus strategies, each strategy with a distinct focus on how to address the operational, financial and people resourcing challenges:

- Restart – Lead by Peter Bunday, Deputy CEO
- Resilience – Lead by Philip Donnay, Chief Finance & Resources Officer
- Reshape – Lead by 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.

**REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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. The last review was conducted in 2013.

OBJECTIVES AND ACTIVITIES

The pandemic did not change GLL's objectives but it did hinder our activities in the year. The statements here remained true nonetheless.

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 advise 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, 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. The pandemic made us fast track some of our developments and these should be of great benefit for the future.

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 2020, we still delivered great things.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES (continued)

In 2020, 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
- Belfast City Council
- Bridgend County Borough Council
- Cambridge City Council
- Cardiff City Council
- Carlisle City Council
- Chiltern District 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
- Guildmore Ltd
- Henley Town Council
- 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
- North Somerset 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

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2020**

OBJECTIVES AND ACTIVITIES (continued)

- Swindon Borough Council
- Telford and Wrekin Borough Council
- 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 date and possible tendering for renewal.

True partnership working proved to be the key to successfully facing off the challenges thrown at us during the COVID 19 Pandemic. Most partners shared the challenge in protecting the invaluable public services we deliver for the longer term.

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's overarching aim is to deliver sustainable and affordable provision of facilities and services for the public benefit for recreational, sporting, cultural and other leisure time occupation in the interest of social welfare, healthy living and education.

GLL has adopted Four Pillars to frame our vision and mission:

1. **Service Excellence → "BETTER SERVICE"**
2. **Strong Business → "BETTER BUSINESS"**
3. **Motivated, Engaged and Well Trained Staff → "BETTER PEOPLE"**
4. **Social Impact → "BETTER COMMUNITIES"**

We seek to drive our business across all four of these objectives using a balanced scorecard to track our progress and ensuring our Charitable Objectives are continuously met.

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 Mayor's 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 (FIA)
- 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

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES (continued)

- 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.

In 2020, GLL worked closely with many of these bodies to develop policies and strategies in the face of the COVID-19 pandemic, ensuring that when open, we were able to deliver services in a "COVID secure" way.

STRATEGIC REPORT

ACHIEVEMENTS & PERFORMANCE

COVID-19 created a dramatic impact on our business in 2020, with the year dominated by our Resilience, Reshape and Restart strategies in response to the pandemic.

It has been a challenging period for all sectors of the economy. The leisure and cultural sector has been at the forefront of this challenge.

On the 31st January 2020, the first two cases of Coronavirus were recorded in the UK. Up until this date, GLL was operating "normally", although a GLL Coronavirus working group had been established. The first death in the UK was recorded on the 5th March 2020. The Health Protection (Coronavirus, Business Closure) (England) Regulations 2020 came into legal effect on 21st March 2020 enforcing the closure in England of businesses selling food and drink for consumption on the premises, as well as a range of other businesses such as nightclubs and indoor Leisure Centres where a high risk of infection could be expected. In a televised address, the Prime Minister announced a UK-wide lockdown.

The business went into hibernation during this first national lockdown, and the GLL work streams of Resilience, Reshape and Restart commenced. Following the first national lockdown the nations adopted a more fragmented approach to lockdowns, tiers, restrictions and permissible activity across the regions and nations. GLL has had to adapt quickly and flexibly as the respective governments put in place their various plans. These changed multiple times over the last 12 months.

GREENWICH LEISURE LIMITED**REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020****ACHIEVEMENTS & PERFORMANCE (continued)**

The table below gives a snapshot of the restrictions imposed by the various governments in response to the health emergency through 2020 and going into 2021. The restrictions and situation remained complex throughout the year.

	England	Wales	Northern Ireland
January 2020	Pre COVID	Pre COVID	Pre COVID
February 2020	Pre COVID	Pre COVID	Pre COVID
March 2020	First UK Lockdown (20 Mar)		
April 2020			
May 2020			
June 2020			
July 2020	Outdoor Restart 1 (11 Jul) Indoor Restart 1 (25 Jul)		Restart 1 (10 Jul)
August 2020	Under COVID operation / restriction	Restart 1 (10 Aug)	Under COVID operation / restriction
September 2020	Under COVID operation / restriction	Under COVID operation / restriction	Under COVID operation / restriction
October 2020	Under COVID operation / restriction	Lockdown 2 (12 Oct)	Under COVID operation / restriction
November 2020	Lockdown 2 (5 Nov)	Restart 2 (9 Nov)	Under COVID operation / restriction
December 2020	Restart 2 (2 Dec)	Lockdown 3 (20 Dec)	Lockdown 2 (26 Dec)
January 2021	Lockdown 3 (4 Jan)		
February 2021			
March 2021	Outdoor Restart 3 (29 Mar)		
April 2021	Indoor Restart 3 (12 Apr)	Outdoor Restart 3 (26 Apr)	Outdoor Restart 2 (12 Apr) Indoor Restart 2 (20 Apr)
May 2021	Under COVID operation / restriction	Indoor Restart 3 (3 May)	Under COVID operation / restriction
June 2021	Under COVID operation / restriction	Under COVID operation / restriction	Under COVID operation / restriction

In direct response:

- All centres were first put into hibernation on the 21st March 2020, reopened then closed again and reopened multiple times.
- GLL launched our Resilience, Reshape and Restart Strategy in responses to the enforced closure
- Government support and grant schemes were accessed
- Staff were furloughed with GLL accessing the Coronavirus Job Retention Scheme (CJRS) – a skeleton staff were retained at work during closure periods to protect GLL and Council assets and support GLL's strategy
- External Service contracts were suspended and / or renegotiated
- GLL lobbying of Government has been continuous to secure financial support for the sector
- Financial support has been provided by Council partners and Central Government.
- GLL has expended its reserves and secured funding from our bank
- COVID Secure Procedures were implemented and were recognised by Government as the industry benchmark

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2020**

ACHIEVEMENTS & PERFORMANCE (continued)

Operationally and under our 'Restart' strategy, we were keen to establish confidence and thus as GLL came in and out of lockdown, GLL's operating principles remained unchanged with the following 5 Core Pillars below being adhered to at every stage:

- COVID Secure
 - For customers
 - For staff
- Financially Viable
- Council Supportive
- Customer Experience expectations met
- Government & Industry compliant

Whilst GLL has been restricted from delivering the majority of services in the past year, work has continued to develop an online offer alongside actively engaging with our members and customers as well as taking time to develop our thinking on how best to position GLL and our products for restart to better reach the local communities we serve.

Despite the many challenges caused by the pandemic, GLL has still seen some significant achievements – here are some examples to note:

Social Focus

- Provided 31 COVID testing centres
- Provided 8 COVID mass vaccination centres
- Staff seconded to the NHS to support the administration of vaccines
- Better Health telephone support service launched during lockdown to support vulnerable customers
- Remote support offered by our Children's Centres to support families in need
- Read and Feed programme launched at GLL's Woolwich Library
- Digital offer: Wexer online exercise videos and Brakes Foods Home Deliveries offered to members on the Better UK app.
- Librarians moved content online with craft, children's activities, book readings and more. Viewings went through the roof
- Dudley Librarians delivered food and medicines to those shielding
- Wandsworth Library used as Blood Donation Site
- West Oxfordshire opened 'The Chippy Larder' a food bank backed by the Council at Chipping Norton Leisure Centre
- Thousands of pounds of PPE collected from closed centres were donated to St Thomas's Hospital London and other sites
- GLL Supported National Volunteers Week, Mental Health Awareness Week and National Fitness Day.

2020 Awards & Achievements

- National award for GLL's Social Enterprise Story sponsored by the NatWest bank
- Top 5 employee owned companies in the UK
- Water Leisure Operator of the Year at the UK Swimming pool Awards
- UK National Contact Centre Awards 2020
- CIPFA published library stats for 2019/20 – **GLL's Greenwich Libraries** had 8,209 visits per 1,000 population – the highest level of usership in England, Scotland and Wales for the 5th year in a row.

New Partnerships & Gym Transfers

- Selected as preferred bidder for a new 10 year partnership in Camden
- Successful renewal and expansion of our partnership in Reading for a 25 year period. The new partnership includes responsibility to deliver two new build leisure centres under a Design, Build, Operate and Maintain Contract
- A 5 year extension agreed with the Royal Borough of Greenwich, which will include the new Woolwich Centre (replacing the iconic Waterfront Leisure Centre) when built
- Successful award of a new interim partnership with the London Borough of Lewisham
- Successful renewal of our partnership with Hillingdon Council for a 10 year period, which includes adding the Hillingdon Sport and Leisure Complex to our portfolio
- Partnership signed between GLL and the RLSS to promote pool safety and to get more people swimming
- Successful Lee Valley partnership award (transfer delayed until 2021 due to COVID-19 impact)
- Better Gyms in Ipswich and Portsmouth were transferred to third parties
- Surrender of North Greenwich Gym lease agreed with the landlord. Surrender took place early 2021.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS & PERFORMANCE (continued)

New Centres Opened

- New Addington Leisure and Community Centre - Croydon Council
- York Community Stadium - York City Council
- Andersontown Leisure Centre – Belfast City Council

FINANCIAL REVIEW

The results for the year 2020 (January 1st - December 31st) are set out within these consolidated financial statements.

As might have been expected and as experienced by the whole industry, GLL is declaring a sizeable P&L loss of £18.5m for 2020 and a negative cash flow from operating activities of circa £900k.

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

Now that we are reopening, we are confident of a strong recovery although there is acceptance that it will take some time to replenish the depleted reserves.

Total income was expected to exceed £315m. The pandemic and resulting closures have cost GLL £170m in trading income so turnover is down to £145m for the year (note 4).

Alongside claims of support from central government and local authorities, GLL mitigated the financial losses by suppressing costs wherever possible.

During the year senior leaders in GLL received their usual pay awards following the year ended 31 December 2019. However, due to the impact of COVID-19 on GLL, the economy as a whole and as a sign of solidarity with colleagues, the senior leaders voluntarily donated a substantial portion of their salaries (up to 10% of their take home pay) to assist GLL at this time. An equal portion (up to 10% of their take home pay) was also loaned to GLL by senior leaders which is anticipated to be repaid back to them by the end of December 2021 in a manner yet to be determined.

The National Lockdown continues to be challenging and whilst maximising all the support available (CJRS, Government grants, Client support), 2021 is also expected to show a trading loss. GLL continues to work with our Local Authority partners to mitigate the trading gap in order to safeguard these vital public services for the long term.

The award of circa £15m from the Government's National Leisure Recovery Fund will go some way to assist in 2021.

We expect to return to surplus in 2022.

Cash flow

The following measures are currently being used to manage GLL's liquidity requirements:

- Full utilisation of £9.75m RCF and £10m CLBILS loan with Barclays
- Maximisation of furlough scheme
- Utilising HMRC time to pay schemes for Tax, NI and VAT
- Actively chasing debtors
- Claiming as much interruption grants as possible within the allowable limits
- Draw down on Local Authority support arrangements

Going Concern – looking to the next 12 months

The COVID 19 pandemic has had, and will continue to have a material impact on the trading position of the Society. As we move forward a number of uncertainties over the extent of the impact still exist and these are detailed below:

- Customers behaviour
Will customers return? Whilst GLL and the industry as a whole have developed many strategies to make customers feel safe, there remains a risk of confidence and change in habit. That said the early signs of the latest restart appear to indicate a real desire from customers to come back.

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW (continued)

Going Concern – looking to the next 12 months (continued)

- Continued presence of COVID 19
There is a considered opinion that society will need to learn to live with the disease. Vaccinations appear to be working well in preventing infections and serious illness. This combined with industry efforts to make our places safe should give us a strong chance of recovery.
- Financial Support
We have secured support from the majority of our local authority partners. Support may need to continue for a little while longer and although there is a risk that such support may fall short; all indications are that the partnership working arrangements established over the past year are to continue.

The Committee of Management has taken into account the uncertainty caused by COVID-19 and are satisfied that as GLL has been able to secure the necessary support from its bankers and partners, that customers behaviour is in line with industry expectations, and there are not further significant business disruptions then we will be able to meet all our obligations as and when they fall due. Accordingly whilst drawing the reader's attention to the underlying uncertainties that COVID-19 pandemic has caused we consider it appropriate to continue to prepare the financial statements on a going concern basis.

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 policy in place, the impact of the COVID-19 pandemic in 2020 could not be planned for. Although such 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.

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 imposed lockdown due to 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 has dented GLL's cash reserves significantly. External finance has been raised to maintain liquidity and resilience in the short term. Longer term plans will include the need to "rebuild" GLL's working capital for the future.

At 31 December 2020, the group had accumulated a cash balance of £31m.

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 is returning.

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.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2020**

FINANCIAL REVIEW (continued)

Reserves Policy and Social funds (continued)

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

The Group held fund balances at 31 December 2020 of £(50,073,007) (2019: £1,135,236 positive) comprising £183,612 (2019: £180,797) of restricted funds and £20,424,181 (2019: £38,843,989) of unrestricted general funds, which are the Society's free reserves, and a pension reserve deficit of £70,724,000 (2019: £37,937,000). As explained elsewhere in the financial statements it should be noted however that this pension 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 accounts, 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 pays 3% gross fixed interest per year.

As part of the bond issue and to provide comfort to investors, 2 financial covenants were put in place. We report against these below:

Net Asset Covenant

The Bonds incorporates a Net Asset Covenant which is designed to ensure that the Bond liability is covered at least two times by the unrestricted net asset value of the Society. The rationale for the Net Asset Covenant is to provide comfort to Bondholders by ensuring that GLL retains sufficient ability to liquidate or re-finance its assets to repay the Bonds at any time if necessary.

As at the 31st December, the bond liability was covered 7 times by the unrestricted net asset value of the Society (excluding accounting pension's liabilities under FRS102, see pension note 28). This exceeds the covenant target.

Bond Interest Cover Covenant

The Bonds also include a Bond Interest Cover Covenant which is designed to ensure that the annual Bond interest payable is covered at least five times by available surpluses.

The Bond Interest Cover Covenant refers to the net surplus excluding extraordinary items. The impact of the pandemic is deemed to be such an item and as such, once adjusted for its impact, the financial covenants conditions have been met.

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 seriously diminished because of COVID-19.

We have referred to the guidance in 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, GLL welcomed in excess of 58 million visits to our facilities across our wide range of activities.

In 2020, GLL still welcomed 22 million visits to our facilities across our wide range of activities despite the significant impact of the COVID-19 pandemic on the leisure sector.

Visits in 2020 were considerably down on previous years due to the periods of time throughout 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 periods 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 2020, a number of centres worked closely with their elite user groups and National Governing Bodies (NGB) 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.

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

SOCIAL IMPACT & PUBLIC BENEFIT (continued)

GLL's Primary Activity

Increasing participation and modernising provision in sport, leisure and cultural activities are identified as the golden threads across all of GLL's divisions and services. GLL's ambition is for more people to engage with its services, more often. Increasing participation and improving services achieve outcomes which support all of GLL's four core Operating Pillars:

- **Better Communities:** Improving access to service, achieving social impact goals, reducing inequalities, promoting empowerment, integration, cohesion, health and wellbeing.
- **Better Business:** Income generation, achieving client targets, increasing investment in services and facilities.
- **Better People:** Creating new opportunities for employment, continuous professional development and job satisfaction. Encouraging staff to give back to their communities.
- **Better Service:** Engaging new users, retaining existing users; providing better value and increasing choice through varied programmes.

Social Objectives

GLL is a 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: increases the social value generated year on year and the average social value generated per customer.
- Generating Surpluses to Reinvest. GLL reinvests its surpluses into:
 - 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 pricing
- Volunteering programmes
- In kind support to individual, clubs and local community groups
- Club development
- GLL Sport Foundation
- Crowdfunding via GLL Community 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
- Concessionary memberships and discount scheme
- Schools offer
- Vulnerable children and Carers support
- Healthwise health referral schemes
- 60+ Club Games
- This Girl Can programmes
- Promoting literacy and national reading events in our libraries.

Examples of where GLL worked to improve access to our facilities were the Launch of Swim School 2.0 and the Water Wellbeing Inclusive Poolpod Project.

**REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

SOCIAL IMPACT & PUBLIC BENEFIT (continued)

Achieving Better Communities

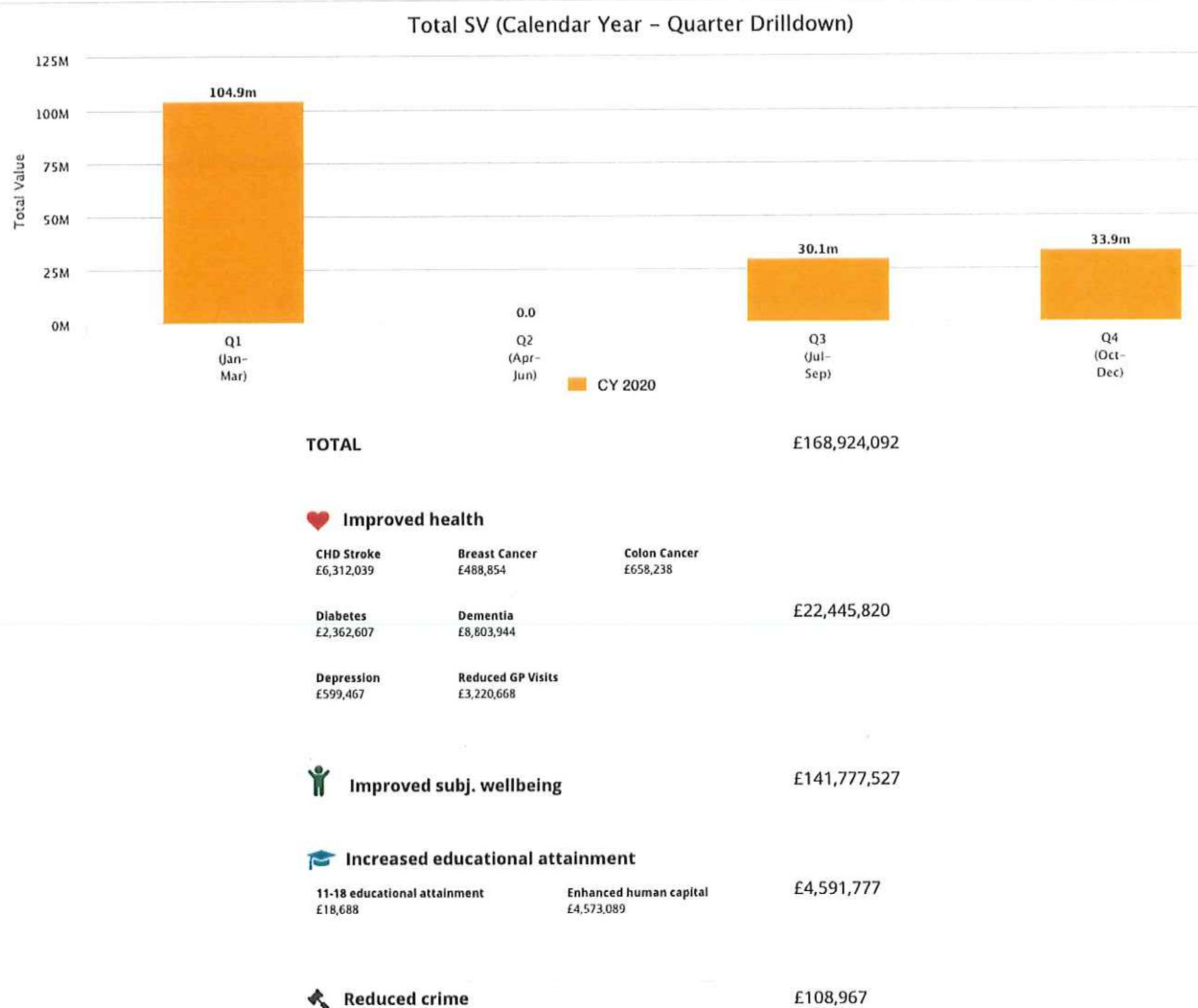
Through the promotion, provision and delivery of quality community services, GLL will empower the local communities in which we operate to achieve a better quality of life:

- 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 leisure 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 £169m in Social Value from more than 22 million visits in 2020, despite the massive impact of the COVID pandemic, resulting in prolonged centre closures and reduced visitor numbers.

Social Value Dashboard



REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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 activity 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 £333 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 customers were also engaged in realising the difference they can make to their communities by choosing GLL as a leisure provider whose community and charitable investment is a tangible product of their participation. In 2020, GLL worked with 4 different partners to increase participation and community engagement, before closures began in light of the COVID-19 pandemic.

GLL Sport Foundation

The GLL Sport Foundation supports 3,120 athletes creating £1.2m 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 21 proving we are supporting those that need it most to achieve their sporting potential.

Our supported athletes have given back to GLL and their communities with athletes attending a variety of events to inspire local people. In 2020, GLL Sport Foundation celebrated 12 years over the course of which it has provided over £12m of support, issuing 19,000+ awards to over 10,000 individual athletes across the UK.

GLL Community Foundation

GLL's Community Foundation was created to support and encourage local people to be active, learn and play together. It could be organising a sports tournament, improving a community library or creating a new play area in a local park. The aim is to help everyone in our local communities to be able to enjoy educational, sport and play activities. We want all members of the community to benefit from projects that improve health and wellbeing.

In 2020 the GLL Community Foundation supported 4 projects until the COVID-19 pandemic caused a pause to the Foundation which will see it resume in 2022. Between January and March 2020, the GLL Community Foundation pledged £7,771 in cash and £2,600 in in-kind support to those projects.

These projects went on to successfully achieve their fundraising targets, raising a total of £57,220 with pledges from over 90 people.

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

SOCIAL IMPACT & PUBLIC BENEFIT (continued)

GLL Community Foundation (continued)

Below is an example of a project that the GLL Community Foundation supported in 2020:

Ride Side-by-Side

GLL pledged £1,000 in cash support towards this campaign to empower older or less mobile people to make short trips to appointments, the shops, a local amenity such as a park, or to make visits to family or friends on a Side-By-Side cycle. The financial support enabled Bikeworks CIC to buy the 'side by side' bikes, train volunteer 'pilots', deliver workshops and promotion.

Aimed at people over the age of 60 who are commonly known to have an issue with mobility, or be socially isolated or visually impaired. This form of active travel will keep the target population active and reduce isolation.

The programme will promote the services GLL have for older or immobile participants at Kensington LC and Chelsea SC particularly the Club Activities to encourage continued physical activity and socialisation. The GLL logo will be placed on the bikes as recognition and a way to link the services.

EMPLOYMENT AND ENGAGEMENT

GLL provides employment for over 10,000 people. In 2015, we achieved the Investors in People Silver award which we retained again at our IIP assessment in 2019. Investors in People said: "GLL's commitment to improving the organisation shows that GLL is progressive and recognises that its ongoing success will be determined by the people that work within it".

Location

We aim to place employees in facilities near to where they live. 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 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 work placements.

Reshape

The pandemic meant that many of the more normal recruitment and development activities of our people had to be put on hold. We also had to accept that with the financial pressures created by these extraordinary circumstances, change was inevitable although some of the changes had already been planned pre-COVID and were therefore merely accelerated as a result.

We recognise that our workforce is our biggest asset but it is also our single biggest cost and it therefore became incumbent on us to restructure to reduce costs whilst our income stream was "turned off".

GLL maximised the use of the Coronavirus Job Retention Scheme (CJRS) to safeguard as many jobs as possible but sadly, it was inevitable that some posts had to be made redundant.

Changes in roles were also implemented with the introduction of the "concierge" roles in most centres to improve the overall customer experience.

As we reopen and primary purpose trade picks up, we hope to restart our work in the communities we serve to provide new employment opportunities as well as development for our existing workforce.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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 has 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.

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 2020, 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. The obvious impact of the COVID-19 pandemic and subsequent enforced closures has delayed progress on many strategy items and moved focus onto other areas of the business. Notwithstanding this, some actions completed in 2020 are worth noting:

- Successfully certified 11 GLL premises over 3 partnerships to the updated Environmental Standard ISO14001:2015
- GLL generates renewable energy from 50 sources, including 39 Solar PV installations, 6 Solar Thermal arrays, 4 Biomass boilers and an Air Source Heat Pump.
- Renewable electricity generation in 2020 totalled over 1.1m kWh. With 1.2m kWh of renewable heat.
- 46 Combined Heat & Power units were active in 2020, using natural gas to generate low Carbon heat and over 9.3m kWh of electricity and over 15.8m kWh of heat locally for premises.
- 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.

Environmental Legislation Compliance in 2020

- Streamline Energy & Carbon Reporting (SECR) Regulations came into force in April 2019 to replace CRC.
- GLL has completed its SECR submission 2020
- 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 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 2020 are below, due to facility closures throughout the year and reduced customer capacities during the latter part of the years, waste totals were reduced compared to 2019:

- Achieved zero waste to landfill by the end of 2020 (within Grundon Contract)
- Long term goal to increase recycling to 65%
- 77 tonnes of waste collected in December compare to 130 tonnes in February before the initial lockdown
- 26 tonnes of recycling collected in December compared to 48 tonnes in January
- Year end recycling rate of 34%

In 2020 GLL began a review of its Waste and Recycling Policy to be implemented in 2020 covering key objectives and targets including, this was put on hold due to the pandemic, however remains a key work stream for 2021 and will 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.
- A commitment to "Zero Waste to Landfill" across all GLL premises.

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2020**

GLL's "GREEN AGENDA"

GLL GREEN – Continuous Investment

GLL continues to work with Partners and invest in Carbon saving technologies. The programme was vastly reduced in 2020, however a number of projects were completed. For example:

- Solar Photovoltaic panels have been installed at West Reservoir in partnership with the London Borough of Hackney
- GLL's BEMS (Building Energy Management System) Bureau has continued to grow in 2020 and proved key in monitoring and adjusting environmental conditions through closure periods in 2020.
- 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.
- Other investments have been completed by the regional teams including Pool cover installations and replacements, variable speed drives and boiler upgrades.

Other investments and projects highlighted for 2021 include:

- Further Solar installations are due in a number of GLL partnerships including Manchester, Hackney and Vale of White horse
- Replacement of CHP units at Thame Leisure and White Horse Tennis & Leisure Centre with either new efficient units or other low carbon heat sources
- GLL will work with a number of partners across the country to decarbonise its heating supply through the installation of Air Source Heat Pumps
- Installation of Solar at London Fields Lido with London Borough of Hackney.

Energy use in like for like centres year on year

In 2020 the utility consumption across all GLL facilities showed the following results against 2019. There were significant reductions in energy use achieved compared to previous years due to the COVID enforced closures of facilities throughout the year.

- Gas consumption fell by just over 35% overall, saving of 102m kWh. (Total 2020 consumption = 188.27m kWh)
- Electricity consumption decreased by 40%, saving 45.1 kWh (Total 2020 consumption = 69.1m kWh)
- Energy use was minimised through both lockdowns in 2020. Automatic Metering was monitored remotely to identify consumption and target unnecessary usage.

Streamlined Energy & Carbon Reporting (SECR) regulations

New 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 new 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)

GLL's Total measured footprint was 52,765 t/CO₂e, (2019 - 85,495), below is a summary of GLL's total 2020 Carbon Footprint. As can be seen from the breakdown 66% (2019 – 60%) of GLL's emissions are generated from its gas and fossil fuels use and less than 34% from electricity consumption, whereas travel currently makes up less than 1%:

Scope 1	(t/CO ₂ e)	Scope 2	(t/CO ₂ e)	Scope 3	(t/CO ₂ e)
Gas	34,616.53	Electricity	16,100.12	Flights - Domestic	7.62
Bio Oil	1.09	Heat	1,677	Train - National Rail	6.27
Diesel	19.83	Renewable Electricity	0	Diesel	97.08
Gas Oil	76.70	CHP Electricity	0	Petrol	84.27
Kerosene	17.78	Renewable Heat	0	Hybrid	6.80
LPG	27.69			Electric	0.96
Petrol				Average Car -	
Unleaded	5.83			Unknown	1.67
Biomass	18.34				
Scope 1	34,784	Scope 2	17,777	Scope 3	205

GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

GLL's "GREEN AGENDA"

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 table below shows GLL's 2020 emissions as a ratio against its total operational floor area, turnover and customer visits:

Metric	£M turnover	GIA	Customer visits (Million)
Value	106	918,000	21
Emissions (tCO ₂ e)	52,765	52,765	52,765
Ratio	498	0.06	2513

Awards and Recognition

GLL continues to hold ISO14001:2015 with external audits and certification completed in December 2020. These were postponed from June due to the pandemic and were completed remotely by the auditor with building tours and interviews happening over Microsoft 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.



GREENWICH LEISURE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

LOOKING TO THE FUTURE and DELIVERING OUR AMBITION

The world was hit by the COVID-19 pandemic last year. Although in itself it has thrown significant short and medium term challenges for us all, our overall ambitions remain the same.

It is our belief that the pandemic will have lasting impact on how we operate and how our communities interact with us. We are embracing these changes including the introduction of more technologies and a review of the services for a sustainable future.

In the very short term, we are challenging everything we do. We are accepting and using these extraordinary circumstances as a launch pad to reshape our services and operation for the better. Together with our partners (whom we thank), we are confident of a bright future once we have navigated through these challenging times.

As a charitable social enterprise, GLL's social responsibility will always remain central to each part of our business.

Everything we do now and will do in the future must 'add value' and improve the lives and health of the communities we serve. It is important for us therefore that the public understand the difference between GLL and some other types of providers and we will work hard to demonstrate this difference in all we do.

Our vision is to be recognised as:

- Leading service provider in the Sector
- Partner of choice for our Clients
- Provider of choice for our customers
- Robust and successful charitable business with a secure long term future
- Social Enterprise exemplar
- Staff Owned organisation that is an employer of choice for our employees

We will continue to work tirelessly to promote and protect the reputation and standards of genuine charitable and social organisations within our sector and co-operatively work with others on this agenda.

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.

REPORT OF THE COMMITTEE OF MANAGEMENT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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 ...10.10.2021... 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 2020 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 2020 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which indicates that the effects of the COVID-19 pandemic has had a detrimental impact on the trading results of the Group and Society. As stated in note 1 these events or conditions, along with other matters as set forth in note 1 indicate that a material uncertainty exists which may cast significant doubt on the Group's and Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 21, 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. 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 : 10/06/2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	31.12.20 Unrestricted Funds	31.12.20 Restricted Funds	31.12.20 FRS 102 s.28 Adjustment Unrestricted	31.12.20 Total Funds	31.12.19 Unrestricted Funds	31.12.19 Restricted Funds	31.12.19 FRS 102 s.28 Adjustment Unrestricted	31.12.19 Total Funds
	£	£	£	£	£	£	£	£
INCOME								
Donations	3	-	52,484,366	-	52,484,366	-	-	-
Income from charitable activities								
Operation of leisure, recreation sites and health activities	4	158,094,645	99,511	158,194,156	298,013,656	181,221	-	298,194,877
Income from other trading activities								
Commercial trading operations	5	1,929,438	-	1,929,438	4,256,573	-	-	4,256,573
Investment income	6	35,814	-	35,814	158,454	-	-	158,454
Other income	7	6,085,923	-	6,085,923	-	-	-	-
Total income		166,145,820	52,583,877	218,729,697	302,428,683	181,221	-	302,609,904
EXPENDITURE ON								
Costs of raising funds								
Investment management costs	8	28,216	-	28,216	19,071	-	-	19,071
Commercial trading operations	5	2,291,247	-	2,291,247	3,935,771	-	-	3,935,771
Charitable activities								
Operation of leisure, recreation sites and health activities	9	182,141,824	52,581,062	237,530,886	297,421,957	189,124	3,630,000	301,241,081
Other expenditure	12	104,341	-	104,341	104,341	-	-	104,341
Total expenditure		184,565,628	52,581,062	239,954,690	301,481,140	189,124	3,630,000	305,300,264
Net income/(expenditure) for the year before other recognised gains and losses		(18,419,808)	2,815	(21,224,993)	947,543	(7,903)	(3,630,000)	(2,690,360)

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 2020**

Notes	31.12.20 Unrestricted Funds £	31.12.20 Restricted Funds £	31.12.20 FRS 102 s.28 Adjustment Unrestricted Funds £	31.12.20 Total Funds £	31.12.19 Unrestricted Funds £	31.12.19 Restricted Funds £	31.12.19 FRS 102 s.28 Adjustment Unrestricted Funds £	31.12.19 Total Funds £
Net income/(expenditure) for the year before other recognised gains and losses	(18,419,808)	2,815	(2,808,000)	(21,224,993)	947,543	(7,903)	(3,630,000)	(2,690,360)
Transfers between funds	32	-	-	-	-	-	-	-
Remeasurement gains/(losses) on defined benefit schemes	28	-	(29,979,000)	(29,979,000)	-	-	(5,873,000)	(5,873,000)
Net movement in funds		2,815	(32,787,000)	(51,203,993)	947,543	(7,903)	(9,503,000)	(8,563,360)
Shares issued	32	3,550	-	3,550	11,050	-	-	11,050
Shares cancelled	32	(7,800)	-	(7,800)	(5,950)	-	-	(5,950)
RECONCILIATION OF FUNDS								
Total funds brought forward		38,891,439	(37,937,000)	1,135,236	37,938,796	188,700	(28,434,000)	9,693,496
TOTAL FUNDS CARRIED FORWARD		20,467,381	183,612	(50,073,007)	38,891,439	180,797	(37,937,000)	1,135,236

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.

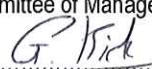
The notes form part of these financial statements


GREENWICH LEISURE LIMITED
**CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2020**

		31.12.20 Total Funds £	31.12.20 Total Funds £	31.12.19 Total Funds £	31.12.19 Total Funds £
	Notes				
FIXED ASSETS					
Intangible assets	17		47,673		105,597
Tangible assets	18		50,766,563		59,679,682
Investments	19		286,808		286,808
Investment property	20		<u>1,192,024</u>		<u>1,125,367</u>
			52,293,068		61,197,454
CURRENT ASSETS					
Stocks	21	669,467		797,673	
Debtors: amounts falling due within one year	22	30,841,079		37,621,028	
Debtors: amounts falling after more than one year	23	5,442,581		4,894,679	
Cash at bank and in hand		<u>31,023,088</u>		<u>23,850,747</u>	
		67,976,215		67,164,127	
CREDITORS					
Amounts falling due within one year	23	<u>(70,767,307)</u>		<u>(68,832,192)</u>	
NET CURRENT ASSETS			<u>(2,791,092)</u>		<u>(1,668,065)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			49,501,976		59,529,389
CREDITORS					
Amounts falling due after more than one year	24		<u>(28,850,983)</u>		<u>(20,457,153)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>20,650,993</u>		<u>39,072,236</u>
PENSION LIABILITY	28		70,724,000		37,937,000
FUNDS					
Unrestricted funds		(50,852,007)		387,801	
Designated funds		<u>552,188</u>		<u>519,188</u>	
Total unrestricted funds			(50,299,819)		906,989
Restricted funds			183,612		180,797
Share capital	27		<u>43,200</u>		<u>47,450</u>
TOTAL FUNDS	31		<u>(50,073,007)</u>		<u>1,135,236</u>
TOTAL FUNDS EXCLUDING PENSION LIABILITY			<u>20,650,993</u>		<u>39,072,236</u>

The financial statements were approved by the Committee of Management on ...12/11/2021... and were signed on its behalf by:


J M Sesnan – Committee Member
Society Registered Number: IP27793R


G Kirk – Committee Member


P Donnay – Secretary

The notes form part of these financial statements

GREENWICH LEISURE LIMITED

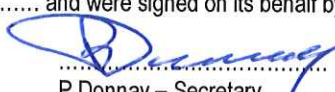
**SOCIETY BALANCE SHEET
AT 31 DECEMBER 2020**

		31.12.20 Total Funds £	31.12.20 Total Funds £	31.12.19 Total Funds £	31.12.19 Total Funds £
	Notes				
FIXED ASSETS					
Intangible assets	17		47,673		105,597
Tangible assets	18		50,766,563		59,679,681
Investments	19		286,808		286,808
Investment property	20		<u>1,192,024</u>		<u>1,125,367</u>
			52,293,068		61,197,453
CURRENT ASSETS					
Stocks	21	669,467		797,673	
Debtors: amounts falling due within one year	22	31,203,122		37,621,028	
Debtors: amounts falling due after more than one year	22	5,442,581		4,894,679	
Cash at bank and in hand		<u>30,976,339</u>		<u>23,777,231</u>	
		68,291,509		67,090,611	
CREDITORS					
Amounts falling due within one year	23	<u>(70,720,792)</u>		<u>(68,758,677)</u>	
NET CURRENT ASSETS			<u>(2,429,283)</u>		<u>(1,668,066)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			49,863,785		59,529,387
CREDITORS					
Amounts falling due after more than one year	24		<u>(28,850,983)</u>		<u>(20,457,153)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>21,012,802</u>		<u>39,072,234</u>
PENSION LIABILITY	28		68,810,000		36,646,000
FUNDS					
Unrestricted funds		(48,576,198)		1,678,799	
Designated funds		<u>552,188</u>		<u>519,188</u>	
Total unrestricted funds			(48,024,010)		2,197,987
Restricted funds			183,612		180,797
Share capital	30		<u>43,200</u>		<u>47,450</u>
TOTAL FUNDS	31		<u>(47,797,198)</u>		<u>2,426,234</u>
TOTAL FUNDS EXCLUDING PENSION LIABILITY			<u>21,012,802</u>		<u>39,072,234</u>

The financial statements were approved by the Committee of Management on 12/12/20 and were signed on its behalf by:


J M Sesnan – Committee Member
Society Registered Number: IP27793R


G Kirk – Committee Member


P Donnay – Secretary

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities	1	<u>(882,958)</u>	<u>14,778,012</u>
Cash flows from investing activities			
Interest		(444,726)	(484,278)
Rent		2,259	122,479
Sale of fixed assets		171,133	360,583
Purchase of investment property		(66,657)	(18,853)
Purchase of tangible fixed assets		(3,818,368)	(7,875,862)
Purchase of investments		-	(286,796)
		<u> </u>	<u> </u>
Cash used on investing activities		<u>(4,156,358)</u>	<u>(8,182,727)</u>
Cash flows from financing activities			
Repayment of borrowing		(335,364)	(122,063)
New loans issued		12,551,270	-
Share issue		3,550	11,050
Shares cancelled		(7,800)	(5,950)
		<u> </u>	<u> </u>
Cash from/(used) in financing activities		<u>12,211,656</u>	<u>(116,963)</u>
Increase in cash and cash equivalents in the year		<u>7,172,341</u>	<u>6,478,322</u>
Cash and cash equivalents at the beginning of the year		23,850,747	17,372,425
Total cash and cash equivalents at the end of the year		<u>31,023,088</u>	<u>23,850,747</u>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	31.12.20	31.12.19
	£	£
Net outgoing resources before other recognised gains and losses	(21,224,993)	(2,690,361)
Amortisation of goodwill	57,924	110,118
Depreciation charges	9,198,843	9,265,244
Deficit/(Surplus) on disposal of fixed assets	3,361,510	(17,206)
Interest received	(5,339)	(16,904)
Interest paid	450,065	501,182
Rents received	(30,475)	(141,550)
Rental expenses paid	28,216	19,071
Decrease/(Increase) in stocks	128,206	(166,882)
Decrease/(Increase) in debtors	6,232,046	(37,585)
(Decrease)/Increase in creditors	(1,886,961)	4,322,885
Interest cost on defined benefit pension scheme	776,000	784,000
Administrative expenses	82,000	68,000
Difference between pension charge and cash contributions	<u>1,950,000</u>	<u>2,778,000</u>
Net cash inflow from operating activities	<u>(882,958)</u>	<u>14,778,012</u>

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:

	31.12.20	31.12.19
	£	£
Cash in hand	29,419,724	22,252,050
Notice deposits (less than 3 months)	<u>1,603,364</u>	<u>1,598,697</u>
Total cash and cash equivalents	<u>31,023,088</u>	<u>23,850,747</u>

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 outbreak of COVID-19 in 2020 has resulted in a pandemic causing extensive disruption across the globe. The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations of the group and the society and measures taken by various governments to contain the virus have negatively affected the group and society's results in the current financial year. The currently known impacts of COVID-19 on the group are:

- A significant reduction in income from March 2020 to date.
- The closure of all leisure facilities in the United Kingdom by the various governments periodically throughout the year from March 2020.
- The closure of all leisure facilities in the United Kingdom in January 2021 with outdoor leisure sites to open from April 2021 and indoor leisure sites beginning to open from May 2021.
- A reduction in income compared to previous years when open due to the measures that are required to ensure our facilities are COVID secure. The required measures limit the services offered and capacity of leisure sites.
- These developments have resulted in an operating loss for the year and are expected to result in further losses in 2021.

The full extent of the impact of COVID-19 on the group and society are still unknown:

- the impact of changes in customers behaviour and confidence levels as a result of the continued existence of the pandemic in our society is currently unknown and if customers do not return to sites as anticipated this will have a significant impact on revenue generation.
- The government continues to implement measures to limit the spread of the virus although we are now on a reopening roadmap that should lift all restrictions in the 2nd half of 2021.
- The impact of new variants of the virus on government policy and the vaccination program are uncertain.

In response to these matters, the entity has taken the following mitigating actions:

- We have taken and continue to take advantage of the coronavirus job retention scheme.
- We have taken advantage of tax payment deferral schemes (VAT / PAYE).
- We have negotiated an instalment arrangement with HM Revenue & Customs for the payment of PAYE liabilities.
- We have obtained from our lenders a waiver of the breach of our covenants and have negotiated changes to covenants for future periods as part of the refinancing negotiations.
- We have successfully negotiated with our local authority partners financial support packages across a large part of the business for the closure period.
- In addition we continue to work with our local authority partners to secure further financial support.
- We have not reopened facilities that under current circumstances would not be viable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES – continued

Going concern (continued)

- We have secured finance through the CLBILS of £10m from our bank.
- We have successfully applied for grant supports via local authorities from the National Leisure Recovery Fund.
- We have put new hygiene measures in place at our gyms, pools, fitness classes and cultural facilities in line with coronavirus regulations.
- All visits to our leisure facilities must be pre-booked.
- Facilities are largely cashless.

The Group and Society wide forecasts have been produced and are based on the original forecasts for the foreseeable future prepared prior to the advent of COVID-19, adjusted for the impact of the lockdown period and measures that have been put in place since reopening. The key assumptions regarding revenue are based on the current expectations when various facilities have been allowed to reopen and when the various activities can resume and the level of usage that can be achieved over the period covered by the forecast rising to a maximum of 80% of historic usage achieved over a period of months. Expectations are that we should return to pre-COVID trading levels by April 2022.

Management have carried out an extensive review of the underlying cost base of the business and have factored in changes and restructuring that have been implemented as a result in the impact of COVID-19 on the business which have been reflected in the forecasts.

The forecasts include a level of financing that has been negotiated.

The original capital expenditure programme has been delayed until a point where the economic conditions may be more certain.

These forecasts indicate that the Group and Society will remain within its financing facilities for the foreseeable future and will be able to meet its financial obligations as they fall due.

Although it is not certain that these efforts will be successful, the committee of management has determined that the actions that it has taken are sufficient to mitigate the uncertainties and has therefore prepared the financial reporting on a going concern basis.

There are material uncertainties related to the events and conditions set out above that may cast significant doubt upon the group and society's ability to continue as a going concern and therefore whether the group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES – continued

Income (continued)

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).
- 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).

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES – continued

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 to be 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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES – continued

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES – continued

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES – continued

Financial instruments (continued)

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.

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:

	31.12.20	31.12.19
	£	£
Gross incoming resources	212,947,631	302,377,910
Investment management costs	(28,216)	(19,071)
Total expenditure on charitable activities	(233,493,829)	(304,734,355)
Governance costs	(98,427)	(100,371)
Other resources expended	(104,341)	(104,341)
Net incoming resources	(20,777,182)	(2,580,228)
Actuarial (loss)/gain on defined benefit pension scheme	(29,442,000)	(5,174,000)
	<u>(50,219,182)</u>	<u>(7,754,228)</u>

GREENWICH LEISURE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020****3. DONATIONS**

	31.12.20	31.12.19
	£	£
Donation income	<u>52,484,366</u>	<u>-</u>

The Group received £52,484,366 (2019: £Nil) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS).

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.20	31.12.19
	£	£
Operation of leisure, recreation sites and health activities	105,353,152	263,859,639
Management fees	38,569,450	32,064,478
Other funding	2,349,103	2,270,760
Government Grants – COVID-19 relief	10,028,389	-
Government Grants –Business Grants	<u>1,894,062</u>	<u>-</u>
	<u>158,194,156</u>	<u>298,194,877</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):

	31.12.20	31.12.19
	£	£
Turnover	1,929,438	4,256,573
Cost of sales and administration costs	<u>2,291,247</u>	<u>(3,935,771)</u>
Net (loss)/profit	<u>(361,809)</u>	<u>320,802</u>

6. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Interest received	5,339	16,904
Rent	<u>30,475</u>	<u>141,550</u>
	<u>35,814</u>	<u>158,454</u>

7. FAIR VALUE OF FINANCIAL LIABILITIES AND DISCOUNTED INTEREST GAIN

	31.12.20	31.12.19
	£	£
Fair value adjustment - Covid support payments	5,607,200	-
Discounted interest on Covid support payments	<u>478,723</u>	<u>-</u>
	<u>6,085,923</u>	<u>-</u>

Covid support payments received in the year representing financial liabilities totalled £8,759,325 (2019: Nil). The amount that is not considered to be repayable, based on forecast profitability for the remaining duration of the relevant contracts is £5,607,200 (2019 : Nil). Liabilities of £2,541,681 (2019 : Nil) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

8. INVESTMENT MANAGEMENT COSTS

	31.12.20	31.12.19
	£	£
Insurance	1,262	1,832
Rates and water	(290)	841
Light and heat	5,939	1,682
Equipment purchases	-	(845)
Legal fees	5,997	3,658
Site services	11,455	12,036
Other expenses	3,853	(133)
	<u>28,216</u>	<u>19,071</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)	31.12.20 Total Charitable Activities	31.12.19 Total Charitable Activities
	£	£	£	£
Leisure, recreation and health activities	<u>224,801,761</u>	<u>12,729,125</u>	<u>237,530,886</u>	<u>301,241,081</u>

10. SUPPORT COSTS

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

	31.12.20	31.12.19
	Operation of leisure, recreation sites and health activities £	Operation of leisure, recreation sites and health activities £
Wages	6,209,686	5,723,929
Premises expenses	6,041,850	10,661,249
Motor and travel	92,475	371,131
Overheads	286,687	1,083,616
Governance costs (note 11)	<u>98,427</u>	<u>100,371</u>
	<u>12,729,125</u>	<u>17,940,296</u>

11. GOVERNANCE COSTS

	31.12.20	31.12.19
	£	£
Auditors' remuneration	75,780	73,577
Auditors' remuneration for non-audit work	16,547	20,872
Auditors' remuneration for audit of subsidiary accounts	<u>6,100</u>	<u>5,922</u>
	<u>98,427</u>	<u>100,371</u>

12. OTHER RESOURCES EXPENDED

	31.12.20	31.12.19
	£	£
Social Bond interest payable	<u>104,341</u>	<u>104,341</u>
	<u>104,341</u>	<u>104,341</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

13. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Auditors' remuneration	81,880	79,499
Auditors' remuneration for non-audit work	16,547	20,872
Depreciation - owned assets	9,198,843	9,196,865
Depreciation – assets held under finance lease or hire purchase	-	68,379
Hire of plant and machinery	1,243,865	1,646,901
Deficit/(Surplus) on disposal of fixed asset	3,361,510	(17,206)
Goodwill amortisation	<u>57,924</u>	<u>110,118</u>

14. COMMITTEE MEMBERS' EMOLUMENTS

	31.12.20	31.12.19
	£	£
Committee members' emoluments	698,501	736,651

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

Defined benefit schemes	<u>8</u>	<u>9</u>
-------------------------	----------	----------

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:

	31.12.20	31.12.19
	£	£
J M Sesnan	206,094	208,494
A Ritchie	45,142	50,001
G Kirk	85,991	87,453
S Wright	-	15,237
M Perren	63,635	62,944
S Hannen	-	31,472
E Thoroughgood	42,775	41,209
E Gosden	23,448	50,001
J Seale	33,305	40,650
K Gaiinda	45,196	46,659
C Dean	57,374	55,994
C Myring	39,832	21,706
W Wardulenska	47,771	24,831
P Shearman	7,938	-

Trustees' Expenses

During the year, reimbursed expenses amounting to £139 (2019: £1,781) were paid to Trustees.

The total amount of employee benefits received by key management personnel is £739,143 (2019: £794,426). The Society considers its key management personnel comprises of the Executive Directors of the Society, consisting of J M Sesnan, P Donnay, P Bunday, J Lynch and A Bindon.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

15. STAFF COSTS

	31.12.20 £	31.12.19 £
Wages and salaries (including social security and pension costs)	130,620,735	145,050,709
Recharge of North Country Leisure Wages and salaries	2,382,224	2,425,429
Redundancy and severance payments	3,092,391	1,416,688
Social Security costs	9,353,333	9,570,172
Recharge of North Country Leisure Social Security costs	141,631	149,264
Pension costs	7,930,057	7,699,867
Recharge of North Country Leisure Pension costs	336,333	292,271
Defined benefit difference between service charge and contributions paid	<u>1,950,000</u>	<u>2,778,000</u>
	<u>155,806,704</u>	<u>169,362,430</u>

Redundancy and severance payments in general include payments to pension funds in respect of pension strain. However, included amongst those amounts is £199,904 (2019: £342,495) 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:

	31.12.20	31.12.19
Direct	9,803	10,385
Administration and support	355	368
Management	<u>9</u>	<u>9</u>
	<u>10,167</u>	<u>10,762</u>

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

	31.12.20	31.12.19
£60,000 - £70,000	22	20
£70,001 - £80,000	6	4
£80,001 - £90,000	7	9
£90,001 - £100,000	1	3
£100,001 - £110,000	3	1
£110,001 - £120,000	3	3
£130,001 - £140,000	1	2
£140,001 - £150,000	2	1
£200,001 - £210,000	1	1

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

31.12.20	31.12.19
39	44

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 (2019: £Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

17. INTANGIBLE FIXED ASSETS**Group and Society**

Goodwill
£

COST

At 1 January 2020 and 31 December 2020

950,129

AMORTISATION

At 1 January 2020

844,532

Charge for year

57,924

At 31 December 2020

902,456

NET BOOK VALUE

At 31 December 2020

47,673

At 31 December 2019

105,597

18. TANGIBLE FIXED ASSETS**Group**

	Freehold/ Leasehold property £	Leasehold improvements £	Equipment £	Motor vehicles £	Totals £
COST					
At 1 January 2020	28,373,595	50,274,664	54,495,099	1,039,874	134,183,232
Additions	-	2,510,762	1,028,162	279,444	3,818,368
Disposals	(813,846)	(3,304,071)	(859,622)	(245,098)	(5,222,637)
At 31 December 2020	27,559,749	49,481,355	54,663,639	1,074,220	132,778,963
DEPRECIATION					
At 1 January 2020	3,640,666	29,159,864	41,343,688	359,332	74,503,550
Charge for year	878,050	3,282,910	4,778,343	259,540	9,198,843
Eliminated on disposal	(427,512)	(628,261)	(480,404)	(153,816)	(1,689,993)
At 31 December 2020	4,091,204	31,814,513	45,641,627	465,056	82,012,400
NET BOOK VALUE					
At 31 December 2020	23,468,545	17,666,842	9,022,012	609,164	50,766,563
At 31 December 2019	24,732,929	21,114,800	13,151,411	680,542	59,679,682

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

18. TANGIBLE FIXED ASSETS - continued**Society**

	Freehold/ Leasehold property £	Improvements to property £	Equipment £	Motor vehicles £	Totals £
COST					
At 1 January 2020	28,299,166	50,274,664	54,495,099	1,039,874	134,108,803
Additions	-	2,510,762	1,028,162	279,444	3,818,368
Disposals	(813,846)	(3,304,071)	(859,622)	(245,098)	(5,222,637)
At 31 December 2020	<u>27,485,320</u>	<u>49,481,355</u>	<u>54,663,639</u>	<u>1,074,220</u>	<u>132,704,534</u>
DEPRECIATION					
At 1 January 2020	3,566,238	29,159,864	41,343,688	359,332	74,429,122
Charge for year	878,049	3,282,910	4,778,343	259,540	9,198,842
Eliminated on disposal	(427,512)	(628,261)	(480,404)	(153,816)	(1,689,993)
At 31 December 2020	<u>4,016,775</u>	<u>31,814,513</u>	<u>45,641,627</u>	<u>465,056</u>	<u>81,937,971</u>
NET BOOK VALUE					
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>
At 31 December 2019	<u>24,732,928</u>	<u>21,114,800</u>	<u>13,151,411</u>	<u>650,542</u>	<u>59,679,681</u>

Group and Society

Included above are assets with a net book value of £nil (2019: £216,038) held under finance leases or hire purchase contracts.

Freehold/leasehold property includes freehold properties with a net book value of £16,034,262 (2019: £16,383,995). Included in cost of Freehold/Leasehold property is land of £164,438 (2019: £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**

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 January 2020 and 31 December 2020	<u>11</u>	<u>286,797</u>	<u>286,808</u>
NET BOOK VALUE			
At 31 December 2020	<u>11</u>	<u>286,797</u>	<u>286,808</u>

Society

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 January 2020 and 31 December 2020	<u>11</u>	<u>286,797</u>	<u>286,808</u>
NET BOOK VALUE			
At 31 December 2020	<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 2020

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: % holding
Ordinary 100.00

	31.12.20	31.12.19
	£	£
Aggregate capital and reserves	<u>10</u>	<u>10</u>

Woolwich Phase 5 Management Company Limited (Company number 06292797)

Nature of business: Management Company

Class of shares: % holding
Ordinary 14.29

	31.12.20	31.12.19
	£	£
Aggregate capital and reserves	<u>1</u>	<u>1</u>

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: % holding
Ordinary 100.00

	31.12.20	31.12.19
	£	£
Income	1,929,438	4,256,573
Expenditure	(2,291,247)	(3,935,771)
(Loss)/Profit for the period	(361,809)	320,802
Gift aid distributions made	-	(320,802)
Aggregate capital and reserves	<u>(361,808)</u>	<u>1</u>

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: % holding
Limited by shares 100.00

	31.12.20	31.12.19
	£	
Aggregate funds	-	-
Surplus for the period (realisation of revaluation of assets)	<u>-</u>	<u>-</u>

North Country Leisure Limited (Company number 03683103, Charity number 1075009)

Nature of business: Management of leisure services

Class of shares: % holding
Limited by guarantee 100.00

	31.12.20	31.12.19
	£	£
Income	(2,860,188)	2,866,964
Expenditure	(2,946,188)	(3,081,964)
Other recognised gains and losses	(537,000)	(444,000)
Surplus/(Deficit) for the year	(623,000)	(659,000)
Aggregate funds	<u>(1,914,000)</u>	<u>(1,291,000)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

20. INVESTMENT PROPERTY

Group and Society	Total £
COST	
At 1 January 2020	1,125,367
Additions	<u>66,657</u>
At 31 December 2020	<u>1,192,024</u>
 NET BOOK VALUE	
At 31 December 2020	<u>1,192,024</u>
At 31 December 2019	<u>1,125,367</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

	Group		Society	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Stocks	<u>669,467</u>	<u>797,673</u>	<u>669,467</u>	<u>797,673</u>

22. DEBTORS

	Group		Society	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	7,205,030	14,246,437	7,205,030	14,246,437
Other debtors	12,980,600	15,849,970	12,980,834	15,849,970
Loans to employees	102,761	105,466	102,761	105,466
Prepayments and accrued income	8,660,914	2,640,870	8,660,914	2,640,870
Amounts receivable on long term contracts	1,891,774	4,778,285	1,891,774	4,778,285
Amounts owed by group undertakings	-	-	361,809	-
	<u>30,841,079</u>	<u>37,621,028</u>	<u>31,203,122</u>	<u>37,621,028</u>
	Group		Society	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Amounts falling due after more than one year:				
Loans to employees	17,277	28,536	17,277	28,536
Amounts receivable on long term contracts	4,401,845	4,480,729	4,401,845	4,480,729
Other debtors	<u>1,023,459</u>	<u>385,414</u>	<u>1,023,459</u>	<u>385,414</u>
	<u>5,442,581</u>	<u>4,894,679</u>	<u>5,442,581</u>	<u>4,894,679</u>
	<u>36,283,660</u>	<u>42,515,707</u>	<u>36,645,703</u>	<u>42,515,707</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

22. DEBTORS - continued

The Society "other debtors" figure of £14,004,293 (2019: £16,235,384) 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 £3,780,788 (2019: £3,295,045);
- GLL Capital developments works in progress amounting to £2,097,517 (2019: £4,644,384);
- Client Capital development works delivered as agents by GLL that had not been recharged at the yearend amounting to £8,125,988 (2019: £8,295,955).

The Society "amounts receivable on long term contracts" falling due after more than one year of £4,401,845 (2019: £4,480,729) 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	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Bank loans (see note 25)	273,063	246,216	273,063	246,216
Other loans (see note 25)	4,162,365	367,136	4,162,365	367,136
Trade creditors	11,556,369	4,644,585	11,556,369	4,644,585
Other creditors	10,815,587	21,344,588	10,786,494	21,308,193
Social security and other taxes	3,030,167	3,838,470	3,012,745	3,801,350
Accrued expenses	25,156,957	21,333,234	25,156,957	21,333,234
Receipts in advance	15,772,799	17,057,963	15,772,799	17,057,963
	<u>70,767,307</u>	<u>68,832,192</u>	<u>70,720,792</u>	<u>68,758,677</u>

Deferred income

	31.12.20	31.12.19
	£	£
Deferred income at 1 January	17,057,963	14,006,806
Resources deferred in the year	15,772,799	17,057,963
Amounts released from previous periods	<u>(17,057,963)</u>	<u>(14,006,806)</u>
	<u>15,772,799</u>	<u>17,057,963</u>

Other Creditors of £10,815,587 (2019: £21,344,588) in the Group and Society accounts includes £1,291,483 (2019: £2,382,282) of 3rd party income collected as agent and payable upon receipt of a purchase invoice and £4,853,639 (2019: £12,079,329) accrued surplus share payable to local authority clients under contractual arrangements.

The Society deferred income figure of £15,772,799 (2019: £17,057,963) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Group		Society	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Bank loans (see note 25)	24,573,310	14,841,224	24,573,310	14,841,224
Other loans (see note 25)	<u>4,277,674</u>	<u>5,615,929</u>	<u>4,277,674</u>	<u>5,615,929</u>
	<u>28,850,983</u>	<u>20,457,153</u>	<u>28,850,983</u>	<u>20,457,153</u>

25. LOANS

An analysis of the maturity of loans is given below:

	Group		Society	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Amounts falling due within one year on demand:				
Bank loans	273,063	246,216	273,063	246,216
Other loans	4,162,365	310,043	4,162,365	310,043
Hire purchase	-	57,093	-	57,093
	<u>4,435,428</u>	<u>613,352</u>	<u>4,435,428</u>	<u>613,352</u>
Amounts falling due between one and two years:				
Bank loans	5,258,070	241,474	5,258,070	241,474
Other loans	<u>425,019</u>	<u>261,081</u>	<u>425,019</u>	<u>261,081</u>
	<u>5,683,089</u>	<u>502,555</u>	<u>5,683,089</u>	<u>502,555</u>
Amounts falling due between two and five years:				
Bank loans	15,541,455	10,500,284	15,541,455	10,500,284
Other loans	<u>1,453,555</u>	<u>3,594,485</u>	<u>1,453,555</u>	<u>3,594,485</u>
	<u>16,995,010</u>	<u>14,094,769</u>	<u>16,995,010</u>	<u>14,094,769</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	3,773,784	4,099,466	3,773,784	4,099,466
Other loans	<u>2,399,100</u>	<u>1,760,363</u>	<u>2,399,100</u>	<u>1,760,363</u>
	<u>6,172,884</u>	<u>5,859,829</u>	<u>6,172,884</u>	<u>5,859,829</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%. This interest is payable annually in arrears at the end of 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 £2,648,474 (2019: £2,649,147). 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 £126,225 (£122,076).

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 £2,541,681 (2019: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

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	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Within one year	7,471,458	4,550,805	54,789	143,354
Between one and five years	32,301,662	18,389,222	2,811	57,600
In more than five years	48,276,779	43,983,629	-	-
	<u>88,049,899</u>	<u>66,923,656</u>	<u>57,600</u>	<u>200,954</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:

	31.12.20	31.12.19
	£	£
Bank loans	24,846,372	15,087,441
Wandsworth Council	126,225	122,076
Hire purchase	-	57,093
Other loans	2,648,474	2,649,147
Yelverton Properties	3,900	3,900
The English Sports Council	-	-
	<u>27,624,971</u>	<u>17,919,657</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.

Hire purchase

Hire purchase debts are secured over the assets to which they relate.

Other loans

A loan of £2,648,474 (2019: £2,649,147) 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.

The English Sports Council

Legal mortgage relating to Mayesbrook Park, Lodge Avenue, Dagenham with payment or discharge of secured liabilities payable on demand upon breach of any terms and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

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	
	31.12.20	31.12.19
	£	£
Present value of funded obligations	(171,045,000)	(128,990,000)
Fair value of plan assets	<u>100,321,000</u>	<u>91,053,000</u>
Present value of unfunded obligations	<u>(70,724,000)</u>	<u>(37,937,000)</u>
Deficit	<u>(70,724,000)</u>	<u>(37,937,000)</u>
Net liability	<u>(70,724,000)</u>	<u>(37,937,000)</u>

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

	Defined benefit pension plans	
	31.12.20	31.12.19
	£	£
Current service cost	4,043,000	3,306,000
Administrative expenses	82,000	68,000
Net interest cost	776,000	784,000
Losses/(gains) on curtailments and settlements	<u>272,000</u>	<u>1,790,000</u>
	<u>5,173,000</u>	<u>5,948,000</u>
Actual return on plan assets	<u>5,856,000</u>	<u>11,860,204</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.20	31.12.19
	£	£
Actuarial gains	<u>(29,979,000)</u>	<u>(5,873,000)</u>
	<u>(29,979,000)</u>	<u>(5,873,000)</u>
Cumulative amount of actuarial losses	<u>(48,939,991)</u>	<u>(18,960,991)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.12.20	31.12.19
	£	£
Defined benefit obligation	(128,990,000)	(103,140,000)
Current service cost	(4,043,000)	(3,306,000)
Contributions by scheme participants	(859,000)	(884,000)
Interest cost	(2,700,000)	(2,954,000)
Remeasurements	(35,155,000)	(17,054,000)
Benefits paid	758,000	1,287,000
Past service costs	(272,000)	(1,790,000)
Administration expenses	(23,000)	(25,000)
Experience (losses)/gains	239,000	(1,124,000)
	<u>(171,045,000)</u>	<u>(128,990,000)</u>

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

	Defined benefit pension plans	
	31.12.20	31.12.19
	£	£
Fair value of scheme assets	91,053,000	74,706,000
Contributions by employer	2,365,000	2,318,000
Contributions by scheme participants	859,000	884,000
Interest on assets	1,924,000	2,170,000
Return on assets less interest	3,932,000	9,940,000
Benefits paid	(758,000)	(1,287,000)
Other actuarial losses	1,005,000	2,365,000
Administration expenses	(59,000)	(43,000)
	<u>100,321,000</u>	<u>91,053,000</u>

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

	Defined benefit pension plans	
	31.12.20	31.12.19
Equities	43.57%	52.03%
Bonds	13.08%	14.53%
Property	8.93%	7.75%
Cash/other	34.42%	24.69%
Gifts	0.00%	1.00%
	<u>100.00%</u>	<u>100.00%</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

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 £48,891,000 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	89,078,000	91,213,000	93,401,000
Projected service cost	3,645,000	3,756,000	3,870,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	95,440,000	91,213,000	87,175,000
Projected service cost	3,923,000	3,756,000	3,596,000

Principal actuarial assumptions at the balance sheet date:

	31.12.20	31.12.19
Discount rate	1.3% - 1.5%	2.0% - 2.1%
Future salary increases	2.9% - 3.9%	2.6% - 4.2%
Future pension increases	2.0% - 2.5%	2.1% - 2.2%
Price increases	2.0% - 2.5%	2.0% - 2.3%

Society

	Defined benefit pension plans	
	31.12.20	31.12.19
	£	£
Present value of funded obligations	(154,770,000)	(115,135,000)
Fair value of plan assets	<u>85,960,000</u>	<u>78,489,000</u>
Present value of unfunded obligations	<u>(68,810,000)</u>	<u>(36,646,000)</u>
Deficit	<u>(68,810,000)</u>	<u>(36,646,000)</u>
Net liability	<u>(68,810,000)</u>	<u>(36,346,000)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.12.20	31.12.19
	£	£
Current service cost	3,607,000	2,927,000
Administrative expenses	82,000	68,000
Net interest cost	755,000	778,000
Losses/(gains) on curtailments and settlements	<u>272,000</u>	<u>1,600,000</u>
	<u>4,716,000</u>	<u>5,373,000</u>
Actual return on plan assets	<u>4,298,000</u>	<u>9,935,204</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.12.20	31.12.19
	£	£
Actuarial losses	<u>(29,442,000)</u>	<u>(5,174,000)</u>
	<u>(29,442,000)</u>	<u>(5,174,000)</u>
Cumulative amount of actuarial losses	<u>(43,060,991)</u>	<u>(13,618,991)</u>

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

	Defined benefit pension plans	
	31.12.20	31.12.19
	£	£
Defined benefit obligation	(115,135,000)	(92,346,000)
Current service cost	(3,607,000)	(2,927,000)
Past service cost	(272,000)	(1,600,000)
Contributions by scheme participants	(800,000)	(815,000)
Interest cost	(2,425,000)	(2,643,000)
Remeasurements	(35,155,000)	(14,735,000)
Benefits paid	567,000	1,080,000
Administration expenses	(23,000)	(25,000)
Experience (gains)/losses	<u>2,080,000</u>	<u>(1,124,000)</u>
	<u>(154,770,000)</u>	<u>(115,135,000)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.12.20	31.12.19
	£	£
Fair value of scheme assets	78,489,000	64,289,000
Assets acquired on settlements	-	-
Contributions by employer	1,994,000	1,958,000
Contributions by scheme participants	800,000	815,000
Interest on assets	1,670,000	1,865,000
Return on assets less interest	2,628,000	8,320,000
Benefits paid	(567,000)	(1,080,000)
Other actuarial losses	1,005,000	2,365,000
Administration expenses	(59,000)	(43,000)
Pass-through arrangement movement	-	-
	<u>85,960,000</u>	<u>78,489,000</u>

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

	Defined benefit pension plans	
	31.12.20	31.12.19
Equities	41.09%	50.52%
Bonds	15.75%	13.31%
Property	8.86%	7.53%
Cash/other	34.30%	27.42%
Gilts	0.00%	1.22%
	<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 £48,891,000 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:

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	89,078,000	91,213,000	93,401,000
Projected service cost	3,645,000	3,756,000	3,870,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	95,440,000	91,213,000	87,175,000
Projected service cost	3,923,000	3,756,000	3,596,000

Principal actuarial assumptions at the balance sheet date:

	31.12.20	31.12.19
Discount rate	1.3% - 1.4%	2.0% - 2.1%
Future salary increases	2.9% - 3.9%	2.6% - 4.2%
Future pension increases	2.4% - 2.5%	2.1% - 2.2%
Price increases	2.4% - 2.5%	2.3%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

Future employer contribution rates per borough are detailed below:

	ER's % 2019/20	ER's % 2020/21	ER's % 2021/22	ER's % 2022/23
LPFA	18	24	24	24
CITRUS Pension Plan	from 1/7/19: 28.7%+3.9%=32.6% + £1893 per month from 1/7/19	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	
Royal Borough of Greenwich LGPS (EXCLUDING LIBRARIES)	17	16	16	16
Wiltshire LGPS 1 (Swindon)	12	34% + 67k	34% + 67k	34% + 67k
Wiltshire LGPS 2 (Swindon)	22	0	0	0
Northamptonshire LGPS (Cambridge)	26	28	29	31
Copeland	11	20.6 LESS 30500	20.6 LESS 31200	20.6 LESS 31900
South Lakes	17	21.5 LESS 5900	21.5 LESS 6000	21.5 LESS 6100
Newcastle 1	29% + £62600	35% + £44,000	35% + £46,000	35% + £48,000
Newcastle 2	20	35	35	35

Additional background information

The impact from the pandemic has caused even more volatility in the investment markets than usual and the change in the discount rate have caused the disclosures under FRS102 section 28 pension liability on the balance sheet to almost double.

In 2014, the 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 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 FRS102 section 28.

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 section 28 the DB schemes now show a deficit of £70m whereas the updated valuation under the ongoing basis showed a deficit of £3m.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

28. EMPLOYEE BENEFIT OBLIGATIONS - continued

Pension Fund (£'000)	FRS102 as at 31/12/20	Ongoing Basis as at 31/12/20	Difference
GLL			
LPFA	(10,287)	216	10,503
CITRUS Pension Plan	(1,920)	(616)	1,304
Royal Borough of Greenwich LGPS	(48,891)	(3,786)	45,105
Wiltshire LGPS 1 (Swindon)	(410)	1,377	1,787
Wiltshire LGPS 2 (Swindon)	(3,629)	186	3,815
Northamptonshire LGPS (Cambridge)	(896)	8	904
Copeland	(1,641)	833	2,474
South Lakes	(1,136)	138	1,274
Total	(68,810)	(1,644)	67,166
NCL			
Newcastle 1	(1,449)	(1,036)	413
Newcastle 2	(465)	(390)	75
Total	(1,914)	(1,426)	488
GLL Group Total	(70,724)	(3,070)	67,654

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 2020 of £8,292,400 (2019: £10,286,100).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

30. CALLED UP SHARE CAPITAL**Group and Society**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.20 £	31.12.19 £
1,728 (2019: 1,898)	Ordinary	£25	<u>43,200</u>	<u>47,450</u>

142 shares (2019: 442) of £25 each were allotted and fully paid for cash at par during the year. During the year 312 shares (2019: 238 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.

31. MOVEMENT IN FUNDS**Group**

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
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	<u>224,814</u>	<u>(12,000)</u>	<u>45,000</u>	<u>257,814</u>
	954,439	(51,211,058)	-	(50,256,619)
Restricted funds				
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	<u>3,678</u>	<u>(1,615)</u>	<u>-</u>	<u>110,615</u>
	180,797	2,815	-	183,612
TOTAL FUNDS	<u>1,135,236</u>	<u>(51,208,243)</u>	<u>-</u>	<u>(50,073,007)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

31. MOVEMENT IN FUNDS - continued**Group**

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General funds	166,145,821	(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)
	<u>166,149,371</u>	<u>(187,381,428)</u>	<u>(29,979,000)</u>	<u>(51,211,058)</u>
Restricted funds				
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	<u>52,484,366</u>	<u>(52,484,366)</u>	<u>-</u>	<u>-</u>
	<u>52,583,877</u>	<u>(52,581,062)</u>	<u>-</u>	<u>2,815</u>
TOTAL FUNDS	<u>218,733,247</u>	<u>(239,962,490)</u>	<u>(29,979,000)</u>	<u>(51,208,243)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

31. MOVEMENT IN FUNDS - continued

Group - previous year

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General funds	37,329,301	947,543	47,957	38,324,801
Pension liability	(28,434,000)	(9,503,000)	-	(37,937,000)
Share capital	42,350	5,100	-	47,450
Designated fund – Copeland	191,727	-	(1)	191,726
Designated fund – South Lakes	115,418	-	(12,770)	102,648
Designated fund – Finesse	260,000	-	(35,186)	224,814
	9,504,796	(8,550,357)	-	954,439
Restricted funds				
For the Girls, by the girls	41,218	(200)	-	41,018
I am Tower Hamlets	22,701	(20,504)	-	(2,197)
Lincolnshire Arts Council	19,398	1,710	-	21,108
Swindon Zurich	105,627	7,169	-	112,796
Dementia Friendly Swimming	(244)	3,922	-	3,678
	188,700	(7,903)	-	180,797
TOTAL FUNDS	9,693,496	(8,558,260)	-	1,135,236

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

31. MOVEMENT IN FUNDS - continued**Group - previous year**

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General funds	302,428,683	(301,481,140)	-	947,543
Pension liability	-	(3,630,000)	(5,873,000)	(9,503,000)
Share capital	11,050	(5,950)	-	5,100
	<u>302,439,733</u>	<u>(305,117,090)</u>	<u>(5,873,000)</u>	<u>(8,550,357)</u>
Restricted funds				
For the Girls, by the girls	-	(200)	-	(200)
I am Tower Hamlets	17,082	(37,586)	-	(20,504)
Lincolnshire Arts Council	1,710	-	-	1,710
Swindon Zurich	26,250	(22,328)	-	3,922
Dementia Friendly Swimming	<u>136,179</u>	<u>(129,010)</u>	<u>-</u>	<u>7,169</u>
	<u>181,221</u>	<u>(189,124)</u>	<u>-</u>	<u>(7,903)</u>
TOTAL FUNDS	<u>302,620,954</u>	<u>(305,306,214)</u>	<u>(5,873,000)</u>	<u>(8,558,260)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

31. MOVEMENT IN FUNDS - continued

Society

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
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	<u>224,814</u>	<u>(12,000)</u>	<u>45,000</u>	<u>257,814</u>
	2,245,437	(50,226,247)	-	(47,980,810)
Restricted funds				
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	(1,615)	-	110,615
Dementia Friendly Swimming	<u>3,678</u>	<u>(2,181)</u>	<u>-</u>	<u>2,063</u>
	180,797	2,815	-	183,612
TOTAL FUNDS	<u>2,426,234</u>	<u>(50,223,432)</u>	<u>-</u>	<u>(47,797,198)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

31. MOVEMENT IN FUNDS - continued**Society**

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General funds	162,179,632	(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>162,183,182</u>	<u>(182,967,428)</u>	<u>(29,442,000)</u>	<u>(50,226,247)</u>
Restricted funds				
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	<u>50,668,489</u>	<u>(50,668,489)</u>	<u>-</u>	<u>-</u>
	<u>50,768,000</u>	<u>(50,765,185)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<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 2020

31. MOVEMENT IN FUNDS - continued**Society - previous year**

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General funds	37,434,167	842,675	47,957	38,324,799
Pension liability	(28,057,000)	(8,589,000)	-	(36,646,000)
Share capital	42,350	5,100	-	47,450
Designated Fund – Copeland	191,727	-	(1)	191,726
Designated Fund – South Lakes	115,418	-	(12,770)	102,648
Designated Fund - Finesse	260,000	-	(35,186)	224,814
	9,986,662	(7,741,225)	-	2,245,437
Restricted funds				
Social bond	-	-	-	-
For the Girls, by the girls	41,218	(200)	-	41,018
I am Tower Hamlets	22,701	(20,504)	-	2,197
Lincolnshire Arts Council	19,398	1,710	-	21,108
Swindon Zurich	105,627	3,922	-	112,796
Dementia Friendly Swimming	(244)	7,169	-	3,678
	188,700	(7,903)	-	180,797
TOTAL FUNDS	10,175,362	(7,749,128)	-	2,426,234

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

31. MOVEMENT IN FUNDS - continued**Society - previous year**

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General funds	302,196,689	(301,354,014)	-	842,675
Pension liability	-	(3,415,000)	(5,174,000)	(8,589,000)
Share capital	11,050	(5,950)	-	5,100
	<u>302,207,739</u>	<u>(304,774,964)</u>	<u>(5,174,000)</u>	<u>(7,741,225)</u>
Restricted funds				
For the Girls, by the girls	-	(200)	-	(200)
I am Tower Hamlets	17,082	(37,586)	-	(20,504)
Lincolnshire Arts Council	1,710	-	-	1,710
Swindon Zurich	26,250	(22,328)	-	3,922
Dementia Friendly Swimming	136,179	(129,010)	-	7,169
	<u>181,221</u>	<u>(189,124)</u>	<u>-</u>	<u>7,169</u>
TOTAL FUNDS	<u>302,068,158</u>	<u>(304,964,088)</u>	<u>(5,174,000)</u>	<u>(7,749,128)</u>

RESTRICTED FUND – SOCIAL BOND

Grant funding was provided to help with the funding of the issue costs of the Social Bond. These costs are being recognised as resources expended at a constant rate on the carrying amount of the bond.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

31. MOVEMENT IN FUNDS - continued**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. The programme has just been extended to July 2020.

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 – CORONAVIRUS JOB RETENTION SCHEME GRANT

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS**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>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

31. MOVEMENT IN FUNDS - continued

ANALYSIS OF NET ASSETS BETWEEN FUNDS - previous year

Group

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	61,197,454	-	61,197,454
Current assets	66,983,330	180,797	67,164,127
Current liabilities	(69,105,000)	-	(69,105,000)
Long term liabilities	(20,184,345)	-	(20,184,345)
Pension scheme liability	(37,937,000)	-	(37,937,000)
Total net assets	<u>954,439</u>	<u>180,797</u>	<u>1,135,236</u>

Society

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	61,197,453	-	61,197,453
Current assets	66,909,814	180,797	67,090,611
Current liabilities	(69,031,485)	-	(69,031,485)
Long term liabilities	(20,184,345)	-	(20,184,345)
Pension scheme liability	(36,646,000)	-	(36,646,000)
Total net assets	<u>2,245,437</u>	<u>180,797</u>	<u>2,426,234</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

32. RECONCILIATION OF MOVEMENTS IN FUNDS**Group**

	31.12.20	31.12.19
	£	£
Deficit for the financial year	(21,224,993)	(2,690,360)
Other recognised gains and losses relating to the year (net)	(29,979,000)	(5,873,000)
Shares issued during the year	3,550	11,050
Shares cancelled during the year	<u>(7,800)</u>	<u>(5,950)</u>
Net addition to funds	(51,203,993)	(8,558,260)
Opening funds	<u>1,135,236</u>	<u>9,693,495</u>
Closing funds	<u>(50,073,007)</u>	<u>1,135,236</u>

Society

	31.12.20	31.12.19
	£	£
Surplus/(Deficit) for the financial year	(20,777,182)	(2,580,228)
Other recognised gains and losses relating to the year (net)	(29,442,000)	(5,174,000)
Shares issued during the year	3,550	11,050
Shares cancelled during the year	<u>(7,800)</u>	<u>(5,950)</u>
Net addition to funds	(50,219,182)	(7,749,128)
Opening funds	<u>2,426,234</u>	<u>10,175,362</u>
Closing funds	<u>(47,797,198)</u>	<u>2,426,234</u>

33. CAPITAL COMMITMENTS

	Group		Society	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Contracted for but not provided for in the financial statements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

At 31 December 2020 there was capital expenditure authorised by the committee of management but not contracted for of £nil (2019: £608,000).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

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, £600,000 (2019: £371,300). Interest of £38,045 was charged on the loan balance in the year (2019: £14,114). As at 31 December 2020, Openplay Limited owes £1,023,459 (2019: £385,414) to Greenwich Leisure Limited, on which interest is accruing at 5%. This amount is included within debtors at the year end.

36. POST BALANCE SHEET EVENTS

The worldwide outbreak of COVID-19 resulted in the UK Government requiring the British public to enter a number of national and regional lockdowns during the year. Following the year end, there was a third national lockdown from 5 January 2021 to 11 April 2021 resulting in the temporary closure of all leisure establishments including gyms and leisure centres. The charitable company's activities, as with many businesses, have been impacted.

The respective governments of Northern Ireland and England have now permitted leisure centres, gyms and indoor pools to reopen on 12 April 2021. The impact of the new social distancing measures which limit a facility's capacity, and the continued existence of COVID-19 in our society, which may have an impact on the behaviour of the company's customers is as of yet unknown. There are also concerns that there might be a further spike in the pandemic and the need for / likelihood of another lockdown which would undoubtedly have a significant impact on the position of the charitable company.

During 2021, Greenwich Leisure Limited continued to receive support with its partners and bankers in the form of short term and long term financial support without which its ability to continue for the foreseeable future would also be uncertain. This is a non-adjusting post balance sheet event.

SOCIETY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20 Unrestricted Funds	31.12.20 Restricted Funds	31.12.20 FRS 102 Adjustment Unrestricted	31.12.20 Total Funds	31.12.19 Total Funds excl FRS 102	31.12.19 Total Funds
	£	£	£	£	£	£
INCOME						
Donations and legacies	-	-	-	-	320,802	320,802
Assets on acquisition	-	-	-	-	3,556,137	3,556,137
Income from charitable activities						
Operation of leisure, recreation sites and health activities	156,057,894	50,768,000	-	206,825,894	298,342,517	298,342,517
Income from other trading activities						
Investment income	35,814	-	-	35,814	158,454	158,454
Other income	<u>6,085,923</u>	<u>-</u>	<u>-</u>	<u>6,085,923</u>	<u>-</u>	<u>-</u>
Total income	162,179,632	50,768,000	-	212,947,631	302,377,910	302,377,910
EXPENDITURE ON						
Raising Funds						
Investment management costs	28,216	-	-	28,216	19,071	19,071
Charitable activities						
Operation of leisure, recreation sites and health activities	180,105,071	50,765,185	2,722,000	233,592,256	301,419,726	304,834,726
Other expenditure	<u>104,341</u>	<u>-</u>	<u>-</u>	<u>104,341</u>	<u>104,341</u>	<u>104,341</u>
Total expenditure	180,237,628	50,765,185	2,722,000	233,724,813	301,543,138	304,958,138
Net income/(expenditure) for the year before other recognised gains and losses	<u>(18,057,997)</u>	<u>2,815</u>	<u>(2,722,000)</u>	<u>(20,777,182)</u>	<u>834,772</u>	<u>(2,580,228)</u>

SOCIETY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 DECEMBER 2020

	31.12.20 Unrestricted Funds	31.12.20 Restricted Funds	31.12.20 FRS 102 Adjustment Unrestricted	31.12.20 Total Funds	31.12.19 Total Funds	31.12.19 Total Funds
	£	£	£	£	£	£
Net income/(expenditure) for the year before other recognised gains and losses	(18,057,997)	2,815	(2,722,000)	(20,777,182)	834,772	(2,580,228)
Transfers between funds	-	-	-	-	-	-
Remeasurement gains/(losses) on defined benefit schemes	-	-	(29,442,000)	(29,442,000)	-	(5,174,000)
Net movement in funds	(18,057,997)	2,815	(32,164,000)	(50,219,182)	834,772	(7,754,228)
Shares issued	3,550	-	-	3,550	11,050	11,050
Shares cancelled	(7,800)	-	-	(7,800)	(5,950)	(5,950)
RECONCILIATION OF FUNDS						
Total funds brought forward	38,891,437	180,797	(36,646,000)	2,426,234	38,232,362	10,175,362
TOTAL FUNDS CARRIED FORWARD	20,829,190	183,612	(68,810,000)	(47,797,198)	39,072,234	2,426,234

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