



YEAR ENDED 31 MARCH 2018

LIVERPOOL CITY COUNCIL HOST AUTHORITY

**REPORT BY MSP ADVISORY BOARD (MSPAB) AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR MSP**

Ip's Associates Limited
Oscar Ip & Co. Chartered Accountant
3rd Floor, Trident House
31-33 Dale Street
Liverpool
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MSP

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REPORT BY MSPBA FOR THE YEAR ENDED 31 MARCH 2018

The Board Members (BMs) present their report with the financial statements of the organisation for the year ended 31 March 2018. The BMs have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005, in line with Sport England's Tier 3 Governance Code.

As I reflect on the past 12 months, MSP has seen some significant new successes that have inspired people to be active every day across the Liverpool City Region (LCR). Our sport and physical activity model (outlined below) is now embedded and delivering significant benefits through:-

- **Insight & Impact:** Utilising insight to inform strategic decisions and placing an emphasis on greater social & economic impact of sport and physical activity
- **Leadership & advocacy:** Proving the benefits of sport and physical activity
- **Influence:** Influencing system leaders and policy makers to create improved/joined up approaches and better resource utilisation
- **Inclusivity & collaborative:** Working with others to make activities happen
- **Development:** Creating Active Workplace; Active Primaries; Active Learning products and services

To illustrate this further, I would like to highlight two case studies where value creation has been provided.

Case study 1: Active Workplace: LCR NHS Trusts

NHS Trusts are collectively the largest employer in the LCR, however their absenteeism levels are at least twice the national average (and three times higher in Ambulance Trusts). MSP conducted consultation with NHS staff to discover that only 25% staff were meeting the minimum physical activity guidelines of 150 minutes moderate physical activity per week.

Based on the needs of the workforce, MSP worked in collaboration with NHS Trusts to put in place a series of interventions to encourage employees to be more active inside and outside of the workplace. These included step challenges, couch to 5k running groups, on-site physical activity sessions, rounder's events, walking groups and including exercise equipment within the available office spaces.

Outcomes from participating employees and employers were that:-

- ✓ 1,000+ employees took part, with 90% reporting that taking part inspired them to be more active
- ✓ One Trust reported a 67% reduction in the absenteeism levels of staff that took part in initiatives
- ✓ 50% employees reported improved mental wellbeing levels

Case study 2: Shop Direct – Up Skilling it's Workforce

Shop Direct have large office and warehouse operations across the Liverpool City Region and Greater Manchester, and approached MSP in a bid to improve their staff health and wellbeing agenda - their aim was for "staff to be the healthiest, happiest and most fulfilled they can be. We'll create opportunities for them to work & play, chill and revive." As a benchmark, 84% of staff agreed with that statement.

MSP up-skilled 49 Shop Direct employees to become Physical Activity Champions: Outcomes were that:-

- ✓ 85% participants felt confident and equipped to engage inactive colleagues around improving their physical activity levels

- ✓ 63% have gone on to organise activity initiatives such as running groups, 'Fun Fridays' (team sports activities), office workouts and walking meetings
- ✓ 95% Champions completed their pledge to encourage at least one of their office colleagues to become more physically active

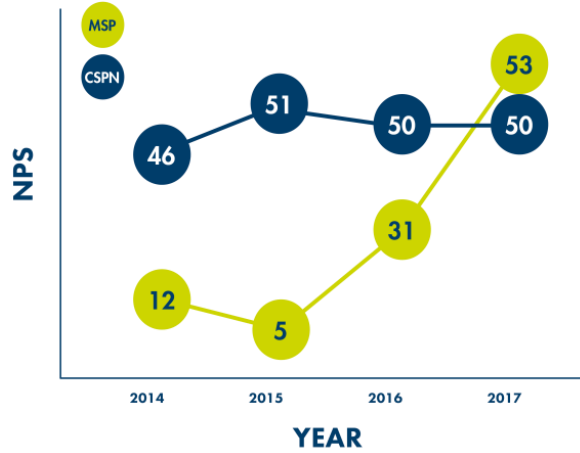
I am thrilled to see that our customer recommendation score (annual net promoter score) for 2017 reach a three year high at **53** surpassing the England average of **50**. This marked improvement shows that we have

- Shrunk our detractors from **25%** (2016) to **9%** (2017)
- Grown our passives from - **17%** (2016) to **40%** (2017)
- Grown our promoters from - **57%** (2016) to **62%** (2017)

MSP is now better placed to meet the our partners, thus improving the quality the people of LCR through sport and activity (as illustrated in the adjacent

With this improved focus, MSP work to ensure that:-

- Lives are enriched
- Wellbeing is improved
- Skills for life are developed
- The economy is enhanced
- Communities and networks are strengthened



needs of
of life for
physical
chart)

continues

So, as the world and our lives continue to change, I believe we are embracing the challenges presented and only see further opportunities and exciting times ahead - with this in mind I would like to personally thank Jean, her team and board members for their passion, dedication and tenancy ensuring MSP is inspiring people to be active every day and remaining a high performing organisation.

For further information – please see

- [MSP Strategy 2017-2022](#)
- [MSP Governance Arrangement](#)
- [MSP Board Terms of Reference](#)
- [Meet MSP Board Members](#)
- [Meet MSP Team](#)

Best wishes

Cameron Jones
Chair, MSP Board

REFERENCE AND ADMINISTRATIVE DETAILS

Accountable Body

Liverpool City Council
Cunard Building
Water Street
L3 1DS

Principal Address

Unit 1 Dakota Business Park
Skyhawk Avenue
Liverpool
L19 2AR

Independent Examiner

Ip's Associates Limited
Oscar Ip & Co. Chartered Accountant
3rd Floor, Trident House
31-33 Dale Street
Liverpool
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

As an unincorporated body, MSP requires an accountable body to act on its behalf – this is Liverpool City Council (LCC), known as the Host Authority, who is responsible for financial compliance, human resources and risk management. MSPAB delegates these functions to the Compliance, Scrutiny and Nominations Group (CSNG) to ensure processes and procedures of the Host Authority are adhered to. The Host Authority is responsible for: -

- Overall financial accountability for the receipt of any funding awards in accordance with the terms and conditions of that award
- Policies and procedures to govern human resources, finance and risk management

Risk Management

The CSNG have a duty to identify and review the risks to which the organisation is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

MSPAB

MSP is led by a strong, strategic leadership board – which sets the direction of travel for the organisation in terms of strategy, performance, improvement and mentoring. It will function as the ultimate decision-making body. MSPAB is supported by two thematic advisory groups as a vehicle for engagement and communication.

MSP is also supported by its Foundation, which is a registered charity. The Foundation has its own board of trustees and has independent services for finance, human resource, risk management and insurance, underpinned by a memorandum and articles of association.

The leadership 'Diagram A', sets out the relationship between the groups, of which the purpose, principles, roles, responsibilities and accountabilities can be found within MSP's Governance Framework 2017 – 2022.

MSP Leadership – Diagram A

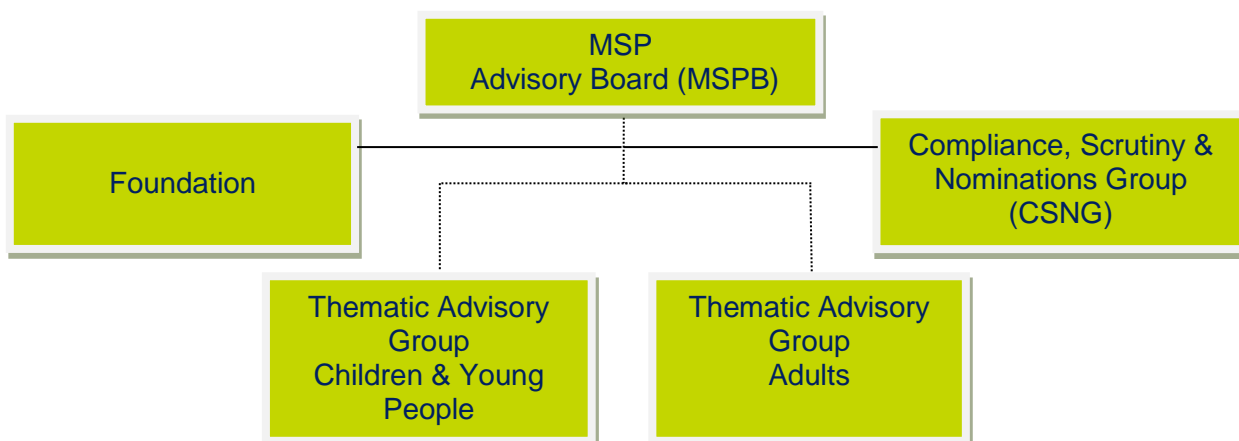
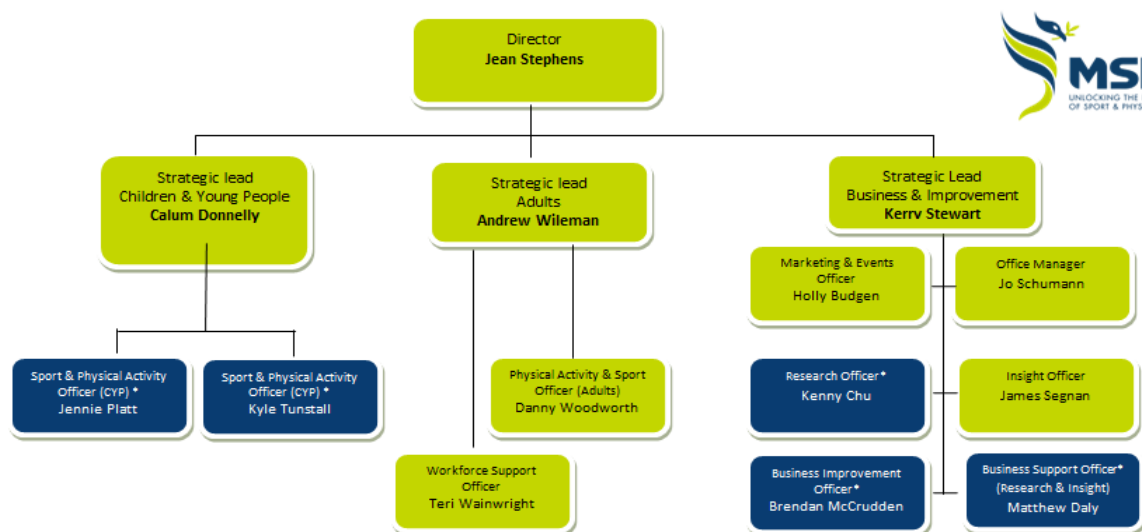


Diagram B



MSP and its Foundation employ a team of professionals as illustrated in Diagram B, who provide:-

- Effective leadership, championing the benefits of sport, physical activity and healthier lifestyles
- Influencing national policy and local agencies to bring in investment
- Bringing the most appropriate people/organisations together for the wider benefits of the Liverpool City Region (LCR)
- Strategic planning, coordinated programmes, projects and events
- Data, research and insight to inform decision making
- Social impact and social value evidence
- Relationship managers offering business, bid writing and sporting advice
- Social marketing campaigns to inspire our residents to be active
- Products and services that generate greater value to the customer

Notes

1. BOLD denotes Senior Leadership Team
2. Posts highlighted in GREEN are employed through Liverpool City Council (The Host)
3. Posts highlighted in BLUE are employed through MSP's Foundation, with agreed service level agreements

Strategic Context

MSP's work ensures

- Lives are enriched
- Wellbeing is improved
- Skills for life are developed
- The economy is enhanced
- Communities and networks are strengthened

Our Objectives

1. To contribute to increasing and sustaining sport and physical activity to change behaviour linked to Chief Medical Officer Guideline (CMO)
2. To create opportunities to mobilise the workforce and access to the right place
3. To improve the sphere of influence for physical activity and sport
4. To raise the value placed on sport and physical activity
5. To remain a high performing and efficient organisation

Financial Review

Reserves Policy

MSPAB conducts an annual review of the level of unrestricted reserves in the general fund by considering risks associated with the various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the level of reserves that are sufficient:

- to allow time for re-organisation in the event of a downturn in income or asset values
- to protect ongoing work programmes
- to allow MSP and its Foundation to meet its objectives

Investment Policy and Objectives

MSPAB's investment objective is to maximise long-term total return.

Approved by order of MSPAB on 6th July 2018 and signed on its behalf by:

Signed



(Chair)

Name

Cameron Jones

INDEPENDENT EXAMINER'S REPORT TO MSPAB OF MSP

I report on the accounts for the year ended 31 March 2018.

Independent Examiner's Report to MSPAB

I report to MSPAB on my examination of the accounts of MSP for the year ended 31 March 2018.

Responsibilities and Basis of Report

As BMs you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of MSP's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

Since your organisation's gross income exceeded £250,000, your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

Having completed my examination, I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of MSP as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Oscar Ip
Institute of Chartered Accountants in England & Wales
Ip's Associates Limited
Oscar Ip & Co. Chartered Accountant
3rd Floor, Trident House
31-33 Dale Street
Liverpool
L2 2HF

Date: 21st August 2018

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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted fund £	Restricted funds £	Total funds £
INCOME RESOURCES				
Generated funds	2	<u>168,277</u>	<u>803,899</u>	<u>972,176</u>
Total		168,277	803,899	972,176
RESOURCES EXPENDED				
Other resources expended		<u>-</u>	<u>734,746</u>	<u>734,746</u>
NET INCOME		<u>168,277</u>	<u>69,153</u>	<u>237,430</u>
TOTAL FUNDS CARRIED FORWARD		<u>168,277</u>	<u>69,153</u>	<u>237,430</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

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**BALANCE SHEET
AT 31 MARCH 2018**

	Notes	Unrestricted fund £	Restricted funds £	Total funds £
CURRENT ASSETS				
Cash at bank		<u>168,277</u>	<u>69,153</u>	<u>237,430</u>
NET CURRENT ASSETS		<u>168,277</u>	<u>69,153</u>	<u>237,430</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		168,277	69,153	237,430
		_____	_____	_____
NET ASSETS		<u>168,277</u>	<u>69,153</u>	<u>237,430</u>
FUNDS	5			
Unrestricted funds				168,277
Restricted funds				<u>69,153</u>
TOTAL FUNDS				<u>237,430</u>

The financial statements were approved by MSPAB on 6th July 2018 and were signed on its behalf by:



Chair

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

Accounting Convention

MSP comes under the auspices of LCC and is governed by and adheres to LCC Financial Regulations and Standing Order processes. Detailed information can be found in MSP's Governance Framework 2017 – 2022.

Incoming Resources

All incoming resources are included on the Statement of Financial Activities when the organisation is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources Expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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 resources.

VAT

The organisation is exempt from VAT due to being hosted by LCC.

Fund Accounting

Unrestricted funds can be used in accordance with the organisation's objectives at the discretion of MSPAB.

Reserves Policy

MSPAB aims to maintain a restricted reserves figure of 3 months operating costs each year. This figure is **£157,280** per annum, at the end of 2018, MSP's figure was **£153,543**.

Restricted funds can only be used for particular restricted purposes within the objects of the organisation. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. ACTIVITIES FOR GENERATING FUNDS

	£
Miscellaneous income	33,028
Restricted re-profile	183,062
Reserves	132,671
Sport England – Lottery	617,237
Unbudgeted income	6,178

	<u>972,176</u>

Sport England Lottery Funding can be broken down as follows:-

Satellite Clubs	£103,626
Core	£350,800
Coaching	£40,000
DofE	£8,000
L3 School Games	£45,000
Primary School Support	£58,761
Active Lives	£11,050
Total	£617,237

MSPAB in line with its Reserves Policy has chosen to designate £153,543 towards three months operating costs which are currently held within the general fund.

3. DEBTORS AND CREDITORS

There are no amounts that fall within this financial year.

4. MSPAB's' REMUNERATION AND BENEFITS

There were no BM remuneration or other benefits for the year ended 31 March 2018.

BM expenses

There were no BM expenses paid for the year ended 31 March 2018.

5. MOVEMENT IN FUNDS

	At 01.04.2018 £	At 31.03.2017 £
Unrestricted funds		
General fund	168,277	179,603
Restricted funds	69,153	69,153
	_____	_____
TOTAL FUNDS	<u><u>237,430</u></u>	<u><u>237,430</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

5. MOVEMENT IN FUNDS - continued

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

Funds	Incoming resources £	Resources expended £	Movement in funds £
General fund	972,176	(734,746)	237,430
TOTAL FUNDS	<u>972,176</u>	<u>(734,746)</u>	<u>237,430</u>

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018**

£

INCOMING RESOURCES

Activities for generating funds

Miscellaneous income	33,028
Restricted re-profile	183,062
Reserves	132,671
Sport England - Lottery	617,237
Unbudgeted income	<u>6,178</u>

927,176

Total incoming resources 972,176

RESOURCES EXPENDED

Support costs

Supplies	11,578
Services	277,139
Department re-charge	20,424
Employees / Office / Utilities	421,154
Transport	<u>4,451</u>

734,746

Total resources expended 734,746

Net income 237,430

This page does not form part of the statutory financial statements

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