

KIRKLEES ACTIVE LEISURE

FINANCIAL STATEMENTS

31 MARCH 2022

CONTENTS	Page
Trustees' report (including directors' report and strategic report)	1-16
Statement of trustees' responsibilities	16-17
Independent auditor's report	18-21
Consolidated statement of financial activities (including income and expenditure account)	22
Charity statement of financial activities (including income and expenditure account)	23
Consolidated balance sheet	24
Charity balance sheet	25
Consolidated statement of cash flows	26
Charity statement of cash flows	27
Notes to the financial statements	28-44
Additional information	45
Detailed charitable expenditure	46

Company registration number: 4331165
Registered charity number: 1091226



KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

The Trustees, who are directors of the Charity, present their annual report on the affairs of the Charity and the Group, together with the financial statements and auditor's report for the year ending 31 March 2022. The Trustees have adopted the provisions of the statement of recommended practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

CHARITY NUMBER
1091226

COMPANY NUMBER
4331165

PRINCIPAL OFFICE
Stadium Business and Leisure Complex
Stadium Way
Huddersfield, HD1 6PG

AUDITORS
Simpson Wood Chartered Accountants
Bank Chambers, Market Street
Huddersfield, HD1 2EW

BANKERS
Barclays Bank plc
17 Market Place
Huddersfield, HD1 2AB

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Kirklees Active Leisure ("KAL") was formed as a Company Limited by Guarantee, not having share capital and having charitable status, on 29 November 2001. The Charity operates community recreation facilities on behalf of the Local Authority (Kirklees Metropolitan Council) and has one wholly owned trading subsidiary, Kirklees Active Leisure Trading Limited ("KALT"). The Charity is required to comply with both the Companies Act 2006, the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) and has to meet general Charity Commission regulations.

The Memorandum and Articles of Association are the Charity's constitution.

CHAIRMAN
D. Stephenson

CHIEF EXECUTIVE
A.I. Brown

TRUSTEES
J.A. Briggs
M.T. Hudson
Cllr. M.S. Sokhal
S.M. Sopala
B.C. Stahelin

J.S. Fletcher
S. Ahmed
S. Alderson
P. Kemp
Cllr. M.S. Thompson

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Appointment of Trustees

Trustees are appointed in accordance with the Charity's Articles of Association.

Kirklees Metropolitan Council is entitled to appoint two individuals as Trustees. The Board is entitled to appoint one individual from each of the following sectors:

- Health
- Strategic finance/accountancy
- Education
- Sports and Leisure

The Board is also entitled to appoint up to six further individuals. Trustees retire by rotation in accordance with the Charity's Articles of Association.

The Trustees give their time voluntarily and receive no benefits from the Charity, other than access to the KAL staff membership scheme, in line with all other volunteers working with KAL, allowing low cost access to the leisure facilities managed by the Trust, which is felt to be appropriate given the form of organisation and the need for Trustees to be aware of the services provided. Any reasonable expenses reclaimed by Trustees from the Charity are set out in the financial statements.

Trustee induction and training

New Trustees undergo a detailed induction process, which was introduced in September 2017. The Trustee Induction process now includes:

1. Briefings to Trustees regarding -
 - Their legal obligations under charity and company law
 - The Memorandum and Articles of Association
 - The Board and decision-making processes
 - The Corporate Strategy and recent financial performance of the Charity
 - The key staff of the Charity and their role in the organisation
 - The sites managed by the Charity and the services provided by the Charity
2. Site tours of the facilities operated by the Charity
3. Copies of key KAL policies
4. Signposting to the Charity Commission website and key items contained there
5. Attending KAL's Corporate Induction session; and
6. Undertaking a discussion regarding Trustees' training needs, before agreeing how these can best be addressed.

Trustees also receive an extensive information pack containing copies of the Memorandum and Articles of Association, recent decisions of the Board of Trustees, recent Accounts and Annual Reports.

Trustees continue to be encouraged to tour the facilities managed by KAL, with opportunities offered to all Trustees to visit the facilities.

Trustees receive specific training on an ongoing basis to enable them to take part in activities such as policy development, strategic planning and health & safety. A number of the Trustees completed the IOSH (Chartered Institute of Occupational Safety & Health) Managing Safely for Senior Executives course over recent years.

At the annual Trustees half away day, in November 2021, the Trustees took part in a development workshop considering a PESTLE analysis for KAL, before drafting up a revised set of key performance

KIRKLEES ACTIVE LEISURE (4331165)

31 MARCH 2022

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

indicators to measure the progress and impact of the Charity.

The board also received an Equality, Diversity & Inclusion awareness training session as part of their March 2022 Board meeting.

Board performance review

The Trustees' had previously undertaken a review of the Charity's governance in June 2017, with areas for improvement identified and now implemented.

The Chair of Trustees also meets with each of the Trustees annually on a 1-2-1 basis, where discussion includes both a review of the last 12 months, the Trustees' commitment and contribution and ways in which the Charity can look to improve further.

Organisation

The Board of Trustees, which has 12 members, administers the Charity. The Board meets five times a year and there are 4 main sub-groups (Audit; Health & Safety; Strategic Development; and Remuneration) together with the wholly owned trading subsidiary - Kirklees Active Leisure Trading Limited.

Task & Finish Groups are also formed by the Trustees as necessary.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including:

- Finance
- Information Technology
- Human Resources
- Training
- Marketing
- Business Development
- Operational Management

Covid-19 impact

2021/22 provided a period of significant recovery for KAL following the disruption caused by Covid-19, with KAL's sites and services slowly beginning to reopen only from the start of the financial year in April 2021.

Considerable, ongoing support was provided by Kirklees Council, as clearly outlined within the 2021/22 accounts as the Charity began the journey back to pre-Covid-19 customer levels.

Diversity

As part of the 2017 governance review referred to above, actions were agreed/ implemented to further improve the Charity's approach to diversity at Board level. These include:

- A commitment made by the Board to continue to ensure that, wherever possible, the Board is representative of the views of the Kirklees community
- Future Board recruitment will specifically encourage applicants from under-represented groups, with additional support to applicants provided as necessary
- Diversity training is provided to the Board
- A statement summarising the Board's work to foster all aspects of diversity is published on the Charity's website.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Employment of disabled persons

Disabled persons are employed and trained whenever their aptitudes and abilities allow and suitable vacancies are available, with reasonable adjustments made as necessary to support disabled people appointed by the Charity. Where an employee becomes disabled, a considerable attempt is made to continue their employment if at all possible, to make all reasonable adjustments and to arrange appropriate re-training or transfer to an alternative role if necessary.

Employee involvement

In non-Covid-19 times, regular 121 and team meetings would be held involving employees and management at which employees were informed of matters concerning them, the development of the Charity and financial and economic factors affecting the performance of the Charity.

An annual staff survey was also undertaken to gain the views of the staff working for the Charity and to consider their proposals for where the Charity can improve. Staff Roadshows also took place on an approximate 6 monthly basis, providing the opportunity for staff to receive updates, contribute to relevant workshops and raise questions with the senior staff.

A series of Staff Roadshows were reintroduced in January 2022, where staff were provided with a KAL update, as well as briefings regarding KAL's health & wellbeing developments and the Charity's improved approach to volunteer management.

Regular "KAL Comms" general communication articles continued to be provided to staff on a regular basis, with focused HR support continuing to be given to the more vulnerable staff members. Any staff recruited to KAL also received the KAL corporate induction to try to help them effectively onboard.

Related Parties

The Charity works closely with Kirklees Council which provides funding and the lease of assets to the Charity for the provision of leisure services. Whilst it has a 16.6% share of representation on the Charity's Board, the Council does not have any control over the Charity, its assets or the manner in which it operates on a day-to-day basis.

The Charity's wholly owned subsidiary, Kirklees Active Leisure Trading Limited ("KALT"), was established to carry out non-charitable trading activities for the Charity. The company gift aids any surplus profits made to the Charity.

Clearly the impact of the period also had a major impact on the Charity's trading subsidiary. In 2021/22, KALT made a pre-tax loss of £7,697 and did not make a gift aid payment back to the parent Charity (2020/21 loss £7,549).

Objects and Activities

The objects of the Charity are:

"To provide or assist in the provision of facilities and services for recreation or other leisure time occupation, primarily in Kirklees but also in the wider area, in the interests of positive social welfare for the public benefit, and to promote and protect the good physical and mental health and wellbeing of those persons using such facilities and services."

The objects of the Charity contribute to a range of charitable purposes, as outlined within the Charities Act 2006, as follows. During 2021/22 a number of these aspects continued to recover post the impact of

Covid-19.

Charitable purpose	Example of activity
The advancement of education	<ul style="list-style-type: none"> - The Charity delivers the local school swimming service to 136 Kirklees schools, plus 5 further schools from surrounding local authority areas. During 2021/22 the service began to deliver school swimming lessons again following the required temporary site closures due to Covid-19. <ul style="list-style-type: none"> o Term 1 programme delivered, with 96 sessions/ week to pupils in key stage 2. o Term 2 commenced February 2022 with a further 86 sessions. A new, more intensive programme was introduced, with longer swim lesson sessions over fewer weeks. Catch-up sessions were provided for pupils which missed school swimming due to Covid, with a total of 19 schools/ 815 attending a full 19 week programme. - KAL's own learn to swim swimming lesson programme recommenced, with 6,900 young people taking part in regular swimming lessons again by the end of 2021/22. - Swim lesson provision overall was enhanced by the opening of a new leisure centre in February 2022 – Spen Valley Leisure Centre, with the new site providing considerable scope for increased swimming lesson provision. - KAL's other coached activities, such as tennis, at both junior and adult levels, also recommenced during 2021/22. - All activities were again available to all groups of the local community, with pricing discounts provided via the local Kirklees Passport scheme. - KAL staff again commenced training in a wide range of aspects, including health & safety, safeguarding, KAL's corporate induction, revised site inductions, etc., as well as further training modules now being delivered to cover conflict management and equality, diversity & inclusion.
The advancement of health	<ul style="list-style-type: none"> - KAL's new overall focus is to develop the Charity as a preventive health service, to both seek a new customer base and also to contribute towards improving local health inequalities, in particular attracting those from targeted demographic communities to make use of the sites and products provided by KAL. - Covid-19 allowed KAL to reconsider our strategic approach and the resources needed to deliver this, with initially, a Health Partnership Manager appointed to KAL, before being followed by a new Volunteer Coordinator, with volunteers viewed as a key approach for KAL to increase its' capacity with. - KAL partnered with the University of Huddersfield's School of Human & Health Sciences to develop a number of Standard Evaluation Frameworks (SEFs) to help ensure that the Charity can

Charitable purpose -	Example of activity -
	<p>clearly demonstrate the impact being of its services and products going forward, with these now being in place and data being collected for a number of products.</p> <ul style="list-style-type: none"> - KAL's initial health & wellbeing products were launched during 2021/22, including: <ul style="list-style-type: none"> o First Steps To fitness (self-referral programme for the inactive) – launched in August 2021 o Moving Mums (pre/post natal activity sessions packaged together) – launched in August 2021 o Live Well (Exercise referral programme for those with cardio conditions) – launched in December 2021 o Fitness For Health (exercise referral programme for a range of other health conditions) - launched in December 2021
The advancement of citizenship and community development	<ul style="list-style-type: none"> - The Charity and Kirklees Council jointly developed a Partnership Framework, which was agreed by the Council's Cabinet in July 2021 and subsequently agreed by the KAL board at a special KAL Board meeting held on the 5th August 2021. - The Partnership Framework is intended to: <ul style="list-style-type: none"> o Reinforce KAL moving towards becoming more of a health & wellbeing focused organisation, as also indicated by KAL's own strategy and new Vision o Agree for KAL to contribute towards the Council's main reducing inequalities agenda. o Encourage KAL to actively seek to attract the inactive to make use of KAL sites and become active, as well as attracting in new customers from a range of demographic groups which are known to have low physical activity levels, such as older people, women & girls, the disabled, diverse ethnic communities, etc. o Note that the Council would be working with KAL to attract these new customers to make use of KAL sites and appreciate that such a change in approach will take time. - Free fitness membership for Care Leavers and targeted other individuals continues to be provided.
The advancement of amateur sport	<ul style="list-style-type: none"> - The Charity works closely with a number of significant local sports clubs that make use of the facilities managed by the Charity. This includes athletics clubs; a range of swimming clubs; tennis club; a golf club; and a major local community football club (Howden Clough AFC). - KAL is a key partner on the local strategic partnership for sport and wider physical activity- "Everybody Active" and the Kirklees Active Schools sub-group. - At Lockwood Park, KAL is a tenant on the site where Huddersfield Rugby Union Club is based, alongside local hockey teams. - KAL also hosts local multi-sports VCS organisations, assisting

KIRKLEES ACTIVE LEISURE (4331165)**31 MARCH 2022****TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

Charitable purpose -	Example of activity -
	them where possible.
The advancement of environmental protection or improvement	- Reducing CO2 emissions and being as efficient as possible with energy consumption continues to be a key component of KAL's approach, with considerable investment continuing to be made to ensure emissions remain low for the type of organisation and facilities operated.
The relief of those in need, by reason of youth, age, ill health, disability, financial hardship or other disadvantage	- Discounted pricing, accessible facilities and the breadth of activity opportunity on offer ensure that KAL is accessible to various customer groups across the Kirklees community. - Examples include the free fitness membership offer highlighted above for care leavers, etc, while the Charity also support worthy local groups, such as with disadvantaged young parents and their families from the local Home-Start group and supporting them to make use of their local leisure facilities. KAL's support of the Uniform Exchange scheme, where collection points in KAL sites allow customers to pass to Uniform Exchange school uniforms to re-cycle to those most in need, and of the local Forget Me Not Children's Hospice are further examples of where KAL support the disadvantaged.

Our strategy for meeting our Charitable Purposes

KAL's new Vision - "Improving Health & Wellbeing" - was agreed as part of KAL's new corporate strategy, approved by the KAL Board in January 2020, with implementation delayed, due to Covid-19, originally until January 2021, but subsequently, given the extended lockdown, from January 2021 to mid-April 2021.

The new Vision highlights the change of direction that the Charity is looking to make over the coming years, with much more of a focus on preventative health & wellbeing as well as addressing inequalities, encouraging new customer groups to make use of the sites and products the Charity provides.

KAL's current Corporate Strategy (2021-2025) was approved by the Board of Trustees in January 2020, before being implemented, following a delay caused by Covid-19, as of April 2021. KAL faces two headline challenges as identified as part of this Strategy -

- By 2025 KAL will achieve a Customer Satisfaction Index score of 81 or more
- By 2025 KAL will have remained financially sustainable

Given the huge impact of Covid-19 and its' impact upon KAL's finances, the second headline challenge regarding KAL remaining financial sustainable is very unlikely to be achieved without the continuing significant financial support from Kirklees Council. The Charity's expenditure is increasing at a faster rate than the Charity can grow its income base, inevitably leading to an insolvent position at some point in the coming years without the financial support of the Council.

This has therefore required the Charity to work ever more closely with the Council to try to seek confirmation of their ongoing financial support.

To achieve the Vision and address the challenges the Strategy has 3 Aims:

1. Putting People First (Service)	KAL recruits and retains great staff, offering a first-class rewards package and striving to provide employees with the learning and skills they need. KAL offers excellent customer service to our customers, helping them reach their activity goals and make the most of their leisure time, within a high quality, safe environment.
2. Helping More People become More Active (Products)	KAL is a major contributor to improving the health and wellbeing of local communities through the promotion of healthy lifestyle choices, by providing a range of fantastic opportunities and developing specific interventions for harder to reach groups, to encourage more people to get and stay active. KAL will review and develop quality products, services and systems that collectively provide an unbeatable activity offer.
3. Delivering Business Excellence (Operations)	As a key anchor institution, KAL supports the Kirklees economy as a major employer of local people, especially under 25's, while also working with local suppliers where possible. KAL will continue to operate as efficiently as possible, offering great value for money, ensuring robust financial planning, resource, sustainability and energy management, investing in the local leisure facilities we look after.

Ensuring our work delivers our Strategic Aims

The 2021-2025 KAL Corporate Strategy and the 3 Aims above continue to ensure that the Charity remains focused on delivering against its stated purpose and objects.

We refer to the Charity Commission's general guidance on public benefit when reviewing our Strategic Aims and in further developing the Corporate Strategy and the activities that we plan to deliver in the future. The Trustees are satisfied that the planned activities and services of the Charity will continue to positively contribute towards the objects and purpose of the Trust.

How our activities deliver public benefit

The Trustees have paid due regard to the Charity Commission's guidance relating to public benefit in deciding what activities the Charity should undertake.

Our main activities and the customer groups we provide services for are outlined below. All of our charitable activities are focused on the development of opportunities for taking part in healthy recreation and sport within facilities available for the general public.

Who used and benefited from our services?

The facilities operated by the Charity received some 1.9 million customer visits from across the entire community spectrum of Kirklees during 2021/22, a considerable increase from the very limited customer use during 2020/21 due to the required Covid-19 related closures, but significantly less than the c.2.7 million customer visits during 2019/20.

KIRKLEES ACTIVE LEISURE (4331165)

31 MARCH 2022

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Particular emphasis continues to be given to "target groups" within the local community, to actively encourage them to take part in sport, exercise and wider physical activity and to receive the associated mental and physical health benefits of such involvement. Groups particularly targeted to use the Charity's facilities include the following:

- Older people (60+)
- Young people (up to age 16)
- Women and girls
- Those with a disability
- Those from a range of ethnic groups.
- The financially disadvantaged

Some of the customers to the Charity's leisure centres would have previously been part of an exercise referral programme overseen by the Council, but which had stopped being provided before KAL launched a new, revised Exercise Referral Scheme in December 2021. Others may be members of voluntary and community sector clubs, but the majority will simply be members of the general public. There are no restrictions on who can make use of the facilities provided by the Charity.

Fees are charged for the majority of activities that take place within the Charity's facilities, however, a range of specific programmes and concessionary rates continue to be made available and actively promoted to try to encourage participation and ensure that the services provided are affordable to everyone. A key means of doing this is the acceptance of the Council's "Kirklees Passport" at all sites operated by the Charity, which entitles the holder to a significant price discount. Some targeted provision, e.g. fitness memberships for local Care Leavers, are provided completely free of charge.

The Charity's primary activities are the provision of sports and leisure facilities and opportunities for the communities in Kirklees and surrounding neighbourhoods to take part in sport and wider physical activity and, therefore improve their health & wellbeing. The main activities provided by the Charity area are:

- Swimming opportunities, including the provision of an extensive lesson programme, considerable school swimming use and use of the sites by the Borough of Kirklees ("BoK") performance swimming squads and the KAL Swim Performance scheme. These have been significantly enhanced with the opening of the new Spen Valley Leisure Centre in February 2022
- Fitness Suites, which are accessible to all and offered at a range of pricing levels, making them accessible across the community. A greatly enhanced fitness suite was installed at Batley Sports & Tennis Centre, opening in May 2021
- Exercise Classes, including specialist classes, such as yoga and Pilates
- A wide range of sports hall activities, including badminton, 5-a-side football, netball, etc.
- Indoor/ outdoor tennis
- Outdoor activities, including football. etc.
- Athletics Track and Field events
- Golf
- Family attraction activities, including use of the "Splash Park" leisure water facility at Huddersfield Leisure Centre; the Footgolf course at Bradley Park Golf Course; the "WOW Wipeout" pool inflatable system at Dewsbury Sports Centre; and the Stompers soft play and TAG X activity products at Batley Sports & Tennis Centre.

While the Charity has very limited outreach capacity, it works closely with other local partners, such as Kirklees Council, Locala (the main local health services provider), Third Sector Leaders (Kirklees)(the

KIRKLEES ACTIVE LEISURE (4331165)

31 MARCH 2022

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

umbrella organisation for the local VCSE sector) and Kirklees Youth Alliance, the umbrella organisation for the local VCSE youth providers, to encourage new customer groups to make use of the sites looked after by the Charity.

In addition, through the separate subsidiary company, Kirklees Active Leisure Trading Limited (KALT), a catering and vending service is provided by 3rd parties commissioned by KALT. Some limited health spa provision continues to be provided by KALT directly. Both aspects began to operate again during 2021/22 post Covid 19.

The Charity is committed to equality of opportunity and works closely with local networks within the statutory and voluntary & community sectors to ensure that there is a co-ordinated, well-informed approach taken. Specific activity programmes have been developed to positively encourage particular communities to take part, such as the popular activity programme targeting Asian women and their children and operating from Batley Baths & Recreation Centre.

The Charity continues to generally enjoy an excellent relationship with Kirklees Council, as the Charity's host local authority, working in partnership with the Council to address the considerable challenges faced and to ensure that the services provided by the Charity remain relevant and attractive to the current community of the area.

Their ongoing and considerable financial support for the Charity due to Covid-19, continued access to capital borrowing from the Council and the construction of a new £18m leisure centre being indicative of both the Council's commitment to health & wellbeing and physical activity and also their belief in KAL and the partnership between the 2 organisations.

Strong partnerships are also in place a number of National Governing Bodies of sports, Third Sector Leaders – Kirklees, KYA, Locala - the local health provider, Kirklees College and a range of other local partners across the public, private and voluntary sectors. The Charity also has an increasingly positive relationship with the University of Huddersfield.

KAL plays a key role with the Everybody Active local strategic partnership for sport and wider physical activity, the Kirklees Active Schools group and is represented on the Board of Third Sector Leaders – Kirklees.

KAL is a member of Community Leisure UK, the trade association for leisure and cultural Trusts in the UK, and has good and improving links with the current West Yorkshire local authority leisure facility providers.

KAL also works to support and, where possible, fundraise for a wide range of local and national charities throughout the course of the year, such as the local hospices, Mencap, the Yorkshire Air Ambulance, Cancer Research UK, Children in Need, Sport Relief, Uniform Exchange, Home-Start, etc.

Consultation

The Trust normally would regularly consult with customers for their views and opinions, as well as seeking the opinions of current non-users. This consultation takes the form of various surveys, including the annual KAL customer survey; community meetings and focus groups; and by received knowledge from the Charity's various partners, especially Kirklees Council, but also key bodies such as local health providers (for example, making active use of the local Joint Needs Assessment). The Charity's services are developed to try to meet the identified needs arising from this research with, wherever possible, barriers to participation (e.g. transport, price, opening hours, cultural issues, someone to attend with,

etc.) addressed.

This activity was placed on hold during the Covid-19 period, but is now looking to be developed once again, with, for example a new customer survey planned for April/ May 2022.

Benefits of participation

There are a range of significant and recognised benefits from participating in the activities provided by the Charity. These include:

- **Health benefits:** The primary benefit of taking part in the activities provided by the Charity relates to improving the health, wellbeing and quality of life of individuals. Taking part in regular positive exercise has been shown to be a major factor to contributing towards reductions in heart disease, levels of obesity, the risk of cancer and type 2 diabetes, preventing high blood pressure, delaying the progression of osteoporosis and as part of the treatment process for cystic fibrosis. In recent years there has been an evidenced link between exercise and reducing/delaying the effects of dementia. It is also recognised that physical activity has a major positive impact on an individual's mental wellbeing, improving their self-confidence and self-belief and reducing their levels of stress and anxiety.
- **Education:** A huge and increasing number of swimming lessons are now again taking place within the Charity's facilities each year following Covid-19, teaching both children and adults an important life skill. Coaching and instruction is also provided in a wide variety of sports and other leisure activities. Lifeguard; safeguarding; equality, diversity & inclusion; manual handling; and other related training is also provided both to the Charity's own staff and to external customers.
- **Community cohesion:** The Charity operates sites across the Kirklees district, serving an ethnically and economically diverse population, with a wide cross-section choosing to participate in sport and wider physical activity within the various leisure centres. Specific initiatives encourage joint working between different ethnic groups to contribute towards positive relationship building between the various communities.
- **Community development:** A large number of sport and activity clubs are once again making use of the sites operated by the Charity, offering the opportunity for local people to try a range of activities, mix socially and enjoy the benefits of a healthy lifestyle. Through the Charity's proactive links to a wide range of organisations in the local area, KAL is able to again support a number of community groups to raise the profile of their services, fundraise and improve their sustainability.

Strategic Report

Achievement and Performance

2021/22 saw the Charity re-open the sites and services provided post-Covid 19, with a clear initial focus upon the safe re-opening of KAL managed sites and the regrowth of the Charity's activities back to pre-Covid 19 levels.

End of year performance highlights included:

- **Aim: Putting People First**
 - 12 of the 13 sites managed by the Charity returning to full opening hours, with the remaining site having reduced opening hours due to staffing recruitment pressures facing the Charity.
 - Swim lessons: at some 95% of pre-Covid-19 levels, with c.6,200 lessons every week across the KAL sites.
 - Fitness memberships: recovery to over 85% of the pre-Covid 19 levels, with some 19,000 members.
 - Standard Evaluation Frameworks now in place for KAL's health & wellbeing products/ the Charity's universal offer, developed in conjunction with the University of Huddersfield.

KIRKLEES ACTIVE LEISURE (4331165)

31 MARCH 2022

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

- 204 new contracted staff and 90 casual employees recruited into the Charity during the course of the year, a huge number of new staff and reflective of the staffing recruitment challenges continuing to be faced by the Charity.
- Return to work support package available to staff returning to the workplace post Covid-19.
- Staff satisfaction survey undertaken in March 2022, with 339 respondents. Results to be fed back to staff, with action plans developed to try to help address the areas for improvement highlighted.
- **Aim: Helping More People Become More Active**
 - Opening of a new £500k fitness suite facility at Batley Sports & Tennis Centre in May 2021.
 - Opening of a new, £18m leisure centre – Spen Valley Leisure Centre – in February 2022.
 - Ongoing develop of the Charity's fitness membership partnership with the University of Huddersfield, whereby their students and staff can receive low cost access to the Charity's sites, helping to encourage them to take part in positive health & wellbeing activity.
 - Evidence submitted for the Quality 4 Health & Wellbeing accreditation scheme, which would help reinforce KAL's role as a local provider of preventative health & wellbeing services. The outcome of the process should be known in Autumn 2022.
 - Implementation of a range of health & wellbeing products, including a self-referral product, exercise referral products and "Moving Mums", a targeted demographic programme.
 - Implementation and development of "YourKAL" as the Charity's on demand/ live streaming option, to provide flexibility to customers to allow them to exercise at home.
- **Aim; Delivering Business Excellence**
 - KC/KAL Partnership Framework commissioning plan agreed by KC in July 2021 and the KAL Board in August 2021.
 - £500k in prudential borrowing funding provided to KAL to use for a range of invest-2-save capital schemes across the Charity's sites, with the aim in reducing energy costs and CO2 emissions.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Financial Review

The table below summarises the group's financial performance:

	2021/22 £000	2020/21 £000
INCOME		
From customers	9,481	2,646
From customers of subsidiary	<u>240</u>	<u>150</u>
	9,721	2,796
Investment income	5	2
Funding by Kirklees MC	3,340	4,770
Other funding	<u>1,197</u>	<u>3,654</u>
	<u>14,263</u>	<u>11,222</u>
EXPENDITURE		
Staff costs, including self-employed instructors	8,761	7,443
Other costs incurred by KAL	5,120	3,759
Costs incurred by KALT	<u>248</u>	<u>116</u>
	<u>14,129</u>	<u>11,318</u>
EXCESS OF EXPENDITURE OVER INCOME, BEFORE THE EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME	<u>134</u>	<u>(96)</u>
EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME		
Current year charge	(2,818)	(1,409)
Re-measurement gain/ (loss)	<u>8,864</u>	<u>(7,626)</u>
	<u>6,046</u>	<u>(9,035)</u>
NET MOVEMENT IN FUNDS BEFORE TAX	6,180	(9,131)
Corporation Tax charge on KALT	<u>1</u>	<u>1</u>
NET MOVEMENT IN FUNDS AFTER TAX	6,181	(9,130)
FUNDS BROUGHT FORWARD	<u>(20,909)</u>	<u>(11,779)</u>
FUNDS CARRIED FORWARD	<u>(14,728)</u>	<u>(20,909)</u>
<i>Comprising:</i>		
Charity reserves, excluding pension liability	1,105	964
Subsidiary reserves	<u>3</u>	<u>9</u>
Total Funds, excluding pension liability	1,108	973
Pension deficit	<u>(15,836)</u>	<u>(21,882)</u>
Total Funds	<u>(14,728)</u>	<u>(20,909)</u>

The group's income for the year was £14,263,357 (2020/21 £11,221,696), of which £9,481,039 (2020/21 £2,646,146) was generated through charitable trading activities. The trading subsidiary contributed a further £240,192 (2020/21 £149,833) which was largely support funding rather than customer generated income.

Total resources expended amounted to £14,129,577 (2020/21 £11,318,374) including costs incurred by the trading subsidiary of £247,889 (2020/21 £116,282).

Before the effects of Corporation Tax on the trading subsidiary, net movement in funds for the year totalled £6,179,780 (2020/21 reduction of £9,132,011) and after the estimated tax charge of £1,462 (2020/21 £1,435 charge), a total of £6,181,242 (2019/20 reduction of £9,130,576) has been added to the unrestricted funds.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

The wholly owned subsidiary, Kirklees Active Leisure Trading Limited, recorded a net loss before taxation of £7,697 (2020/21 £7,550 loss).

Investment powers and policy

The Memorandum and Articles of Association of the Charity permit the Trustees to invest the monies of the Charity not immediately required for its purposes, in or upon such investments, securities or property as may be thought fit.

Reserves policy

The Trustees have reviewed the reserves of the Charity. The review concluded that to allow the Charity to be managed efficiently and to provide a suitable element to ensure uninterrupted service provision, a general reserve should be maintained.

The level of reserves held by the Trust should be based on an assessment of the various business risks that could affect the Charity. After full adoption of FRS 102, there is a negative balance of £14,728,146 (2020/21 £20,909,388). Excluding the pension scheme deficit there is a general reserve of £875,786 at the end of 2021/22 (2020/21 £734,309). The Charity has restricted funds totalling £229,442 at the end of 2021/22 (2020/21 £229,442).

At 31 March 2022, the Charity had no unrestricted free reserves. Free reserves are defined by the Charity Commission as unrestricted funds, excluding those unrestricted funds which can only be realised by disposing of fixed assets held for the Charity's use.

The Trustees are continually seeking ways to improve the level of the general reserve to a suitable level and therefore increase the level of funds for development of the Charity's facilities.

Summary of future plans

The recovery from the Covid-19 pandemic is likely to continue to have a considerable impact upon the Charity into 2022/23 and beyond, given the scale of the pandemic and the way in which KAL's financial position in particular has been adversely affected. Without the support of Kirklees Council the Charity would not and will not remain viable.

KAL's future plans are focused upon the recovery and then re-growth of the Charity, but also upon the future overall sustainability of the Charity's operating model, given both the major continuing increases to National Living Wage (NLW) rates, which impact heavily on the staff with some c.50% now subject to NLW and the projected increases in utility costs. Staff and energy budgets are KAL's top two supplier budgets by some way, therefore, even with income growth returning to post-Covid levels, this will be considerably outpaced by the growth in expenditure costs.

Post covid supply chains and the Ukraine/ Russian war, which commenced in February 2022, and rising UK inflation have all also led to the Charity's other suppliers increasing their costs and further adding to pressure upon KAL. A future resurgence of a new Covid-19 strain is a further risk that the Charity needs to be prepared for.

The continuing recovery phase for KAL has a number of positive and important aspects, including:

- **Kirklees Council support:** Major Council financial support needs to continue into the foreseeable future if the Charity is to remain financially viable. While the Charity's financial income recovery to pre-Covid levels is on target, if not slightly ahead, the considerable increases in expenditure across many of the Charity's key expenditure lines means that income growth will not be able to match increases in expenditure without ongoing support from the Council. To date, the Council have been very positive in providing this support.

- **Health & wellbeing development:** excellent progress has continued throughout 2021/22 to continue to develop KAL's health & wellbeing offering, with a range of initial products now being delivered and others likely to emerge over the coming months. A strong developmental and delivery team has been created and new customers are now making use of the KAL sites and services.
- **Capital developments:** Major investment has continued in the Kirklees leisure stock, with a new £18m major leisure centre at Spen Valley and a £500k new, extended fitness suite at Batley Sports & Tennis Centre. These facilities will significantly improve the local health & wellbeing offer available.
- **Demonstrating impact:** Whilst a slow process, work continues to collect and then analysis the data from customer use of KAL sites, working towards developing a clear case for the value of the investment being made into KAL.

Risk Management and Financial Instruments

The Trustees continue to review the major risks to which the Charity is exposed, particularly those related to the operation and finances of the Charity.

The Corporate Risk Register is reviewed on an approximately six-monthly basis by the main KAL Board, with any new and increasing risks highlighted, as well as the mitigating action being proposed to address these. The Trustees have given consideration to the appropriate policies, procedures and systems to mitigate the Charity's exposure to the identified major risks.

As of the KAL Board meeting in March 2022, the major corporate risks facing KAL were identified as follows:

Ref	Risk	Comment
1	Energy management	Given the recent conflict in Ukraine and the high levels of both gas and electricity needed to operate the Charity's provision, in particular its' swimming pools.
2	KAL's Medium Term Financial Plan	Relating to the medium term financial viability of the Charity and the need for ongoing major financial support from Kirklees Council.
3	Economic Climate	Acknowledging the ongoing difficult financial position facing KAL, both staff and customers, with inflation forecast to continue to increase significantly, increasing energy costs and the emergence of extensive cost of living pressures for many.
4	Covid-19	Noting the risk of any future strains in terms of staff illness and the Charity's ability to provide cover, as well as the potential for future site and service closure.
5	KC financial position	Noting the continuing high level of financial support being provided by the Council and the need for this to continue to allow for sites & services to continue to operate.
6	Staff recruitment/ retention/ termination	With the Charity, like many others, continuing to struggle to recruit/ retain staff post-Covid 19.
7	Low staff morale	Cost of living increases, below inflation pay increases for non-NLW staff, increasing workloads due to the challenge of recruitment will all lead to a dissatisfied workforce and low levels of morale.
8	Stadium (John Smith Stadium) site adversely affected by external factors	The operators of the Stadium site and, for this site, the Charity's landlord, has been subject to recent speculation about changes in the Stadium's ownership, which has the potential to also be disruptive for KAL.
9	IT systems failure/ breaches	This reflects both changes in internal processes and also the

KIRKLEES ACTIVE LEISURE (4331165)**31 MARCH 2022****TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

		increased risk of the Charity facing cyber-attack, linked to the Ukrainian war.
10	Competitors	Competitors opening up in the local area and Market Management in mitigation

KAL's Audit Committee oversees the enforcement of the Charity's financial controls, with an annual audit programme agreed and provided by Kirklees Council's Audit Unit. This considers financial controls in place within a selection of the sites managed by the Charity and also across key operational areas. Follow-up audits are then undertaken as necessary.

The Charity's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds to finance the Charity's operations.

Due to the nature of the financial instruments there is no exposure to price risk. The approach to managing other risks applicable to the financial instruments concerned is as follows:

- In respect of bank balances, the liquidity is managed by maintaining credit balances.
- The Charity makes use of deposit facilities when funds are available.
- Trade debtors are managed by the regular monitoring of amounts outstanding for both time and credit limits.
- Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due.

Auditor

The Charity's Auditor's were reconsidered with an approach led by KAL's Audit Committee and then ratified by the KAL Board at their March 2022 KAL Board meeting, where Simpson Wood were appointed as KAL's new Auditors from the 2021/22 financial year.

This Trustees' Report, including the Strategic Report, was approved by the Board on 21st September 2022 and signed on its behalf by:



D Stephenson
Chair of the Trustees

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Kirklees Active Leisure for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

KIRKLEES ACTIVE LEISURE (4331165)

31 MARCH 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIRKLEES ACTIVE LEISURE

Opinion

We have audited the financial statements of Kirklees Active Leisure (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group and parent charitable company: statement of financial activities; the balance sheet; cashflow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, for the year ended; and
- have been properly prepared in accordance with United Kingdom General Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Charities Act 2011 and Companies Act 2006.

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 financial statements section of our report. We are independent of the group and parent charitable company 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 provisions available for small entities, 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.

Conclusions relating to going concern-emphasis of matter

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We do however draw attention to the further deficit incurred during the year which has again eroded the group's and the company's net assets prior to accounting for the defined pension benefit liability. Both the group and the company ended the year with a deficit of current assets compared to current liabilities reflecting a deterioration in the short-term liquidity position. The directors' assessment of going concern and their rationale for preparing the financial statements on that basis is set out at note 1(o) on page 30. Whilst our audit opinion is not modified in this respect, material inherent uncertainties exist within the group's and the company's business model and on-going working capital support is required from Kirklees Council to enable them to continue to operate and meet their obligations as they fall due.

Other information

The trustees are 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report [or the strategic report] included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine 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 trustees are responsible for assessing the group's and parent charitable company'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

KIRKLEES ACTIVE LEISURE (4331165)

31 MARCH 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIRKLEES ACTIVE LEISURE

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was considered capable of detecting irregularities including fraud

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:

- 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 the parent charitable company, including Charities Act 2011, Charities (accounts and Reports) Regulation 2008, Companies Act 2006, data protection and anti-bribery legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; 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 parent charitable company'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 and.
- performed analytical procedures to identify any unusual or unexpected relationships.

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates 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 and;
- enquiring of management as to actual and potential litigation and claims.

KIRKLEES ACTIVE LEISURE (4331165)

31 MARCH 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIRKLEES ACTIVE LEISURE

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 trustees 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

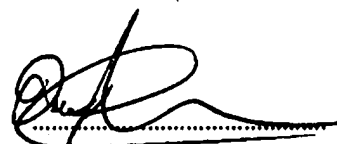
Simpson Wood Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the charities (Accounts and Reports) Regulation 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel McAllister FCA (Senior Statutory Auditor)
For and on behalf of Simpson Wood Limited

Chartered Accountants
Statutory Auditor



Bank Chambers
Market Street
Huddersfield
HD1 2EW

Dated: 21 September 2022

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

Notes		Unrestricted funds £	2022 Restricted Funds £	Total £	2021 Total £
	Income and endowments from:				
2	Charitable activities	9,481,039	-	9,481,039	2,646,146
3	Other trading activities	240,192	-	240,192	149,833
4	Investments	4,556	-	4,556	1,907
5	Other	3,574,662	962,908	4,537,570	8,423,810
	Total income	13,300,449	962,908	14,263,357	11,221,696
	Expenditure on:				
6	Raising funds	247,889		247,889	116,282
6	Charitable activities	15,736,780	962,908	16,699,688	12,611,425
	Total expenditure	15,984,669	962,908	16,947,577	12,727,707
	Net income/(expenditure)	(2,684,220)	0	(2,684,220)	(1,506,011)
	Other recognised gains/(losses):				
23	Re-measurement gain/(loss) on defined benefit pension scheme	8,864,000	-	8,864,000	(7,626,000)
	Net movement in funds before tax	6,179,780	0	6,179,780	(9,132,011)
	Corporation tax charge on subsidiary	1,462	-	1,462	1,435
21	Net movement in funds after tax	6,181,242	0	6,181,242	(9,130,576)
	Reconciliation of funds:				
21	Total funds brought forward	(21,138,830)	229,442	(20,909,388)	(11,778,812)
21	Total funds carried forward	(14,957,588)	229,442	(14,728,146)	(20,909,388)

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
FINANCIAL STATEMENTS

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

Notes		Unrestricted funds £	2022		2021 Total £
			Restricted Funds £	Total £	
	Income and endowments from:				
2	Charitable activities	9,481,039	-	9,481,039	2,646,146
3	Other trading activities	20,478	-	20,478	41,100
4	Investments	4,556	-	4,556	1,906
5	Other	3,574,662	962,908	4,537,570	8,423,810
	Total income	13,080,735	962,908	14,043,643	11,112,962
	Expenditure on:				
6	Charitable activities	15,757,258	962,908	16,720,166	12,611,424
	Total expenditure	15,757,258	962,908	16,720,166	12,611,424
	Net income/(expenditure)	(2,676,523)	0	(2,676,523)	(1,498,462)
	Other recognised gains/(losses):				
23	Re-measurement gain/(loss) on defined benefit pension scheme	8,864,000	-	8,864,000	(7,626,000)
	Net movement in funds	6,187,477	0	6,187,477	(9,124,462)
	Reconciliation of funds:				
21	Total funds brought forward	(21,147,691)	229,442	(20,918,249)	(11,793,787)
21	Total funds carried forward	(14,960,214)	229,442	(14,730,772)	(20,918,249)

All income and expenditure derive from continuing activities.

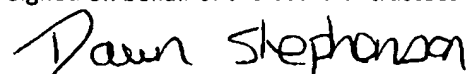
The statement of financial activities includes all gains and losses recognised during the year.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

Notes	2022 £	2021 £
Fixed assets		
13 Tangible assets	1,297,451	1,141,705
	<u>1,297,451</u>	<u>1,141,705</u>
Current assets		
15 Stocks	26,006	24,568
16 Debtors	430,271	1,033,801
Cash at bank and in hand	3,939,521	1,950,194
	<u>4,395,798</u>	<u>3,008,563</u>
17 Creditors: amounts falling due within one year	(4,583,317)	(3,174,116)
Net current assets	<u>(187,519)</u>	<u>(165,553)</u>
Total assets less current liabilities	<u>1,109,932</u>	<u>976,152</u>
18 Creditors: amounts falling due after more than one year	-	-
19 Provision for liabilities	(2,078)	(3,540)
Net assets excluding pension liability	<u>1,107,854</u>	<u>972,612</u>
23 Defined benefit pension liability	(15,836,000)	(21,882,000)
Net (liabilities)	<u>(14,728,146)</u>	<u>(20,909,388)</u>
Charity Funds		
Unrestricted funds excluding pension deficit	875,786	734,309
Charity Trading Subsidiary	2,626	8,861
Designated funds	-	-
	<u>878,412</u>	<u>743,170</u>
23 Pension deficit	(15,836,000)	(21,882,000)
21 Total unrestricted funds	(14,957,588)	(21,138,830)
21 Restricted funds	229,442	229,442
Total charity deficit	<u>(14,728,146)</u>	<u>(20,909,388)</u>

The financial statements were approved and authorised by the Board on 21 September 2022.
The notes on pages 28 to 44 form part of these financial statements.
Signed on behalf of the board of trustees


D Stephenson - Chair of the Trustees

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
FINANCIAL STATEMENTS

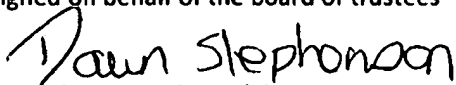
CHARITY BALANCE SHEET AS AT 31 MARCH 2022

Notes	2022 £	2021 £
Fixed assets		
13 Tangible assets	1,282,593	1,118,644
14 Investments	2	2
	<u>1,282,595</u>	<u>1,118,646</u>
Current assets		
15 Stocks	26,006	24,568
16 Debtors	500,139	1,138,907
Cash at bank and in hand	3,933,673	1,916,340
	<u>4,459,818</u>	<u>3,079,815</u>
17 Creditors: amounts falling due within one year	(4,637,185)	(3,234,710)
Net current assets	<u>(177,367)</u>	<u>(154,895)</u>
Total assets less current liabilities	<u>1,105,228</u>	<u>963,751</u>
18 Creditors: amounts falling due after more than one year	-	-
Net assets excluding pension liability	<u>1,105,228</u>	<u>963,751</u>
23 Defined benefit pension liability	(15,836,000)	(21,882,000)
Net (liabilities)	<u>(14,730,772)</u>	<u>(20,918,249)</u>
Charity Funds		
Unrestricted funds excluding pension deficit	875,786	734,309
Designated funds	-	-
	<u>875,786</u>	<u>734,309</u>
23 Pension deficit	(15,836,000)	(21,882,000)
21 Total unrestricted funds	<u>(14,960,214)</u>	<u>(21,147,691)</u>
21 Restricted funds	<u>229,442</u>	<u>229,442</u>
Total charity deficit	<u>(14,730,772)</u>	<u>(20,918,249)</u>

The financial statements were approved and authorised by the Board on 21 September 2022.

The notes on pages 28 to 44 form part of these financial statements.

Signed on behalf of the board of trustees


D Stephenson - Chair of the Trustees

KIRKLEES ACTIVE LEISURE (4331165)**31 MARCH 2022****FINANCIAL STATEMENTS****CONSOLIDATED CASH FLOW STATEMENT****for the year ended****31 MARCH 2022**

Note	2022 £	2021 £
22 Net cash flow from operating activities	2,573,917	361,441
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(611,137)	(64,179)
Receipts from sales of tangible fixed assets	25,083	10,958
Interest received	4,556	1,907
Net cash flow from investing activities	(581,498)	(51,314)
Cash flow from financing activities		
Repayment of finance lease liabilities	-	-
Interest paid	(3,031)	-
Net cash flow from financing activities	(3,031)	-
Net increase/(decrease) in cash and cash equivalents	1,989,388	310,127
Cash and cash equivalents at 1 April 2021	1,950,133	1,640,006
Cash and cash equivalents at 31 March 2022	3,939,521	1,950,133
Cash and cash equivalents consists of:		
Cash at bank and in hand	3,939,521	1,950,194
Bank overdraft	-	(61)
Cash and cash equivalents at 31 March 2022	3,939,521	1,950,133

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
FINANCIAL STATEMENTS

CHARITY CASH FLOW STATEMENT

for the year ended

31 MARCH 2022

Note	2022 £	2021 £
22 Net cash flow from operating activities	2,601,862	360,309
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(611,137)	(64,179)
Receipts from sales of tangible fixed assets	25,083	10,958
Interest received	4,556	1,906
Net cash flow from investing activities	(581,498)	(51,315)
Cash flow from financing activities		
Repayment of finance lease liabilities	-	-
Interest paid	(3,031)	-
Net cash flow from financing activities	(3,031)	-
Net increase/(decrease) in cash and cash equivalents	2,017,333	308,994
Cash and cash equivalents at 1 April 2021	1,916,340	1,607,346
Cash and cash equivalents at 31 March 2022	3,933,673	1,916,340
Cash and cash equivalents consists of:		
Cash at bank and in hand	3,933,673	1,916,340
Bank overdraft	-	-
Cash and cash equivalents at 31 March 2022	3,933,673	1,916,340

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies

(a) General information and basis of preparation

Kirklees Active Leisure is incorporated under the Companies Act 1985 in the United Kingdom and is limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £. The consolidated accounts comprise the accounts of the charity and its subsidiary. The results of the subsidiary are consolidated on a line by line basis as the subsidiary and parent have identical purpose.

The charity has availed itself of Paragraph 4(1) of Schedules of the Larger and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adopted the Companies Act formats to reflect the special nature of the charity's activities.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund 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 charity 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 is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives grants in respect of its charitable activities. Income from grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement conditions are not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes, it includes interest. Interest income is recognised using the effective interest method.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of the cost of commercial trading and associated support costs;
- Expenditure on charitable activities includes the cost of operating community recreation facilities on behalf of the local authority (Kirklees Metropolitan Council); and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense in the Income and Expenditure Account.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent the charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 7.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and machinery -	3 to 10 years
Fixtures and fittings -	2 to 10 years

(g) Investments

Investments are measured at cost less impairment.

(h) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(i) Debtors and creditors receivable / 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.

(j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(k) Leases

Assets acquired under finance leases 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.

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

(l) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity contributes to a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

(m) Tax

The charity is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

The taxation expense in relation to the subsidiary company represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in income and expenditure, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

(n) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(o) Going concern

The directors have prepared the financial statements on a going concern basis, as they believe that no material uncertainties exist. This assessment is based upon Kirklees Council providing the level of funding already agreed until 31 March 2023 and the indicative funding for the following year to 31 March 2024. The budgeted income and expenditure is sufficient with this level of funding for the charity to be able to continue as a going concern.

2 Income from charitable activities – Group and Charity

	2022	2021
	£	£
Sale of goods and services	9,481,039	2,646,146
	<u>9,481,039</u>	<u>2,646,146</u>

Income from charitable activities was £9,481,039 (2021: £2,646,146) of which £nil (2021: £nil) was attributable to restricted and £9,481,039 (2021: £2,646,146) was attributable to unrestricted funds.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

3 Income from other trading activities

Group

	2022	2021
	£	£
Trading subsidiary turnover	240,192	149,833

Income from other trading activities was £240,192 (2021: £149,833) which was all attributable to unrestricted funds.

Charity

	2022	2021
	£	£
Management charge received from subsidiary	20,478	41,100
Deed of gift from subsidiary	-	-
	20,478	41,100

4 Income from investments

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Interest	4,556	4,556	1,907	1,906

Group income from investments was £4,556 (2020: £1,907) which was all attributable to unrestricted funds.

5 Other income – Group and Charity

	2022	2021
	£	£
Funding provided by Kirklees Metropolitan Council	3,340,462	4,769,728
Coronavirus Job Retention Scheme	140,043	2,867,463
Coronavirus Business Support Grants	234,200	433,963
National Leisure Recovery Fund	822,865	352,656
	4,537,570	8,423,810

Other income was £4,537,570 (2021: £8,423,810) of which £3,574,662 (2021: £5,203,691) was attributable to unrestricted funds and £962,908 (2021: £3,220,119) was attributable to restricted funds.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

6 Analysis of expenditure

Group

	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Raising funds					
Trading subsidiary expenses	132,065	82,450	8,203	25,171	247,889
Charitable activities					
Staff costs	4,672,155			6,453,880	11,126,035
Transport costs		6,894		359,959	366,853
Premises costs		1,729,172		165,092	1,894,264
Supplies & services	454,000	1,160,381	447,188	987,362	3,048,931
Kirklees Metropolitan Council service level agreements		6,675		256,930	263,605
	5,126,155	2,903,122	447,188	8,223,223	16,699,688
Total resources expended	5,258,220	2,985,572	455,391	8,248,394	16,947,577

Expenditure on raising funds was £247,889 (2021: £157,383) all of which was attributable to unrestricted funds. Expenditure on charitable activities was £16,699,688 (2021: £12,570,324) of which £962,908 (2021: £3,250,680) was attributable to restricted and £15,736,780 (2021: £9,319,644) was attributable to unrestricted funds.

	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Charity					
Charitable activities					
Staff costs	4,672,155			6,474,358	11,146,513
Transport costs		6,894		359,959	366,853
Premises costs		1,729,172		165,092	1,894,264
Supplies & services	454,000	1,160,381	447,188	987,362	3,048,931
Kirklees Metropolitan Council service level agreements		6,675		256,930	263,605
	5,126,155	2,903,122	447,188	8,243,701	16,720,166
Total resources expended	5,126,155	2,903,122	447,188	8,243,701	16,720,166

Expenditure on charitable activities was £16,720,166 (2021: £12,611,424) of which £962,908 (2021: £3,250,680) was attributable to restricted and £15,757,258 (2021: £9,360,744) was attributable to unrestricted funds.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

7 Allocation of support costs

Group	Raising funds	Charitable Activities	Total
	£	£	£
Staff costs	20,478	6,453,880	6,474,358
Transport costs	-	359,959	359,959
Premises costs	4,693	165,092	169,785
Supplies and services	-	987,362	987,362
Kirklees Metropolitan Council service level agreements	-	256,930	256,930
Total	25,171	8,223,223	8,248,394

Charity	Charitable Activities	Total
	£	£
Staff costs	6,474,358	6,474,358
Transport costs	359,959	359,959
Premises costs	165,092	165,092
Supplies and services	987,362	987,362
Kirklees Metropolitan Council service level agreements	256,930	256,930
Total	8,243,701	8,243,701

8 Audit fees – Group and Charity

	2022	2021
	£	£
Auditor's remuneration – statutory audit	13,750	11,210

The above costs are attributable to unrestricted funds.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

9 Net (expenditure) for the year

Net (expenditure) is stated after charging/(crediting)

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Depreciation of tangible fixed assets	455,391	447,188	474,563	466,361
Gain on sale of tangible fixed assets	(25,083)	(25,083)	(10,958)	(10,958)
Operating lease rentals	232,124	232,124	232,124	232,124

10 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration or other employee benefits during the current or previous year.

The total amount of employee benefits received by key management personnel is £142,501 (2021: £140,050). The trust considers its key management personnel comprise the Chief Executive and the Deputy Chief Executive. The remuneration of senior staff is reviewed annually by the Kirklees Active Leisure Remuneration Committee.

The reimbursement of trustees' expenses was as follows:

	2022 Number	2021 Number	2022 £	2021 £
Travel	1	1	55	131

11 Staff costs and employee benefits

The average monthly number of employees and full time equivalents (FTE) during the year was as follows:

	2022 Number	2022 FTE	2021 Number	2021 FTE
Raising funds	21	10.8	18	5.1
Charitable activities	614	266.1	646	282.8
	635	276.9	664	287.9

The total staff costs and employees' benefits were as follows:

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Wages and salaries	7,243,703	7,146,480	6,461,303	6,382,144
Social security	480,759	475,893	375,607	372,598
Defined benefit pension operating costs	2,993,657	2,984,159	1,641,537	1,633,863
Other payroll costs	123,883	123,883	53,429	53,429
Self-employed instructors	416,098	416,098	123,909	123,909
	11,258,100	11,146,513	8,655,785	8,565,943

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

11 Staff costs and employee benefits (continued)

The total amount of employee redundancy or termination payments relating to the reporting period is £19,923 (2021: £23,000). These costs are included within the total staff costs and were paid in the period.

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2022 Number	2021 Number
£70,001 - £80,000	1	1
£60,001 - £70,000	1	1

12 Interest payable and similar charges – Group and Charity

	2022 £	2021 £
Interest on defined benefit pension liability	454,000	286,000
	<u>454,000</u>	<u>286,000</u>

13 Tangible fixed assets

Group	Plant and equipment £	Fixtures and Fittings £	Total £
Cost:			
At 1 April 2021	3,751,656	1,451,318	5,202,974
Additions	382,894	228,243	611,137
Disposals	-	-	-
At 31 March 2022	<u>4,134,550</u>	<u>1,679,560</u>	<u>5,814,110</u>
Depreciation:			
At 1 April 2021	3,098,405	962,864	4,061,269
Charge for the year	259,599	195,792	455,391
On disposals	-	-	-
At 31 March 2022	<u>3,358,004</u>	<u>1,158,656</u>	<u>4,516,660</u>
Net Book value:			
At 31 March 2021	<u>653,251</u>	<u>488,454</u>	<u>1,141,705</u>
At 31 March 2022	<u>776,546</u>	<u>520,904</u>	<u>1,297,451</u>

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

13 Tangible fixed assets (continued)

Charity	Plant and equipment £	Fixtures and fittings £	Total £
Cost:			
At 1 April 2021	3,738,968	1,370,960	5,109,928
Additions	382,894	228,243	611,137
Disposals	-	-	-
At 31 March 2022	<u>4,121,862</u>	<u>1,599,203</u>	<u>5,721,065</u>
Depreciation:			
At 1 April 2021	3,093,488	897,795	3,991,283
Charge for the year	257,511	189,677	447,188
On disposals	-	-	-
At 31 March 2022	<u>3,350,999</u>	<u>1,087,472</u>	<u>4,438,471</u>
Net Book value:			
At 31 March 2021	<u>645,480</u>	<u>473,165</u>	<u>1,118,645</u>
At 31 March 2022	<u>770,863</u>	<u>511,731</u>	<u>1,282,594</u>

14 Fixed asset investments

Charity	Equity in subsidiary undertaking £	Total £
Cost:		
At 1 April 2021 and 31 March 2022	<u>2</u>	<u>2</u>
Carrying amount:		
At 31 March 2022	<u>2</u>	<u>2</u>
At 1 April 2021	<u>2</u>	<u>2</u>

Investments in group undertakings are measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and the fair value cannot otherwise be measured reliably.

The charity's equity investment in subsidiary undertaking is a 100% holding in the ordinary share capital of Kirklees Active Leisure Trading Limited, a company incorporated in England & Wales (company number 4132866). The charity holds 2 shares of £1 each, these are the only shares allotted, called up and fully paid.

Kirklees Active Leisure Trading Limited operates all commercial trading activity as fundraising in support of the charity. A summary of the trading results is shown below:

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
	£	£
Turnover	195,274	5,830
Cost of sales	(67,646)	(10,299)
Gross profit	(127,628)	(4,469)
Administration expenses	(159,765)	(105,984)
Management charge paid to Kirklees Active Leisure	(20,478)	(41,100)
Other operating income	44,918	144,003
Interest receivable & similar income	-	1
Net profit	(7,697)	(7,549)
Deed of gift to Kirklees Active Leisure	-	-
Tax on profit on ordinary activities	1,462	1,435
	(6,235)	(6,114)

The assets and liabilities of the subsidiary were:

Assets	102,268	128,205
Liabilities	(99,640)	(119,342)
Total net assets	2,628	8,863
Aggregate share capital and reserves	2,628	8,863

Audit exemptions

The subsidiary company above has taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirement in the Act for its individual financial statements to be audited. The guarantee given by the company under section 479A of the Act is disclosed in note 25.

15 Stocks – Group and Charity

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Consumables	2,398	2,398	4,825	4,825
Goods for resale	23,608	23,608	19,743	19,743
	<u>26,006</u>	<u>26,006</u>	<u>24,568</u>	<u>24,568</u>

All stock held is for use to further the charity's activities or for resale.

16 Debtors

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Trade debtors	153,889	153,346	474,107	473,578
Amounts owed by subsidiary	-	74,239	-	105,895
Other debtors	2,478	-	-	-
Prepayments	211,281	209,931	144,889	144,629
Accrued income	62,623	62,623	414,805	414,805
	<u>430,271</u>	<u>500,139</u>	<u>1,033,801</u>	<u>1,138,907</u>

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

17 Creditors: amounts falling due within one year

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Bank loans and overdrafts	-	-	61	-
Trade creditors	355,101	352,222	250,569	248,499
Amounts owed to subsidiary	-	77,191	-	70,022
Other tax and social security	284,873	271,679	218,815	219,294
Other creditors	460,626	453,376	342,838	335,062
Accruals and deferred income	3,482,717	3,482,717	2,361,833	2,361,833
	<u>4,583,317</u>	<u>4,637,185</u>	<u>3,174,116</u>	<u>3,234,710</u>

18 Leases – Group and Charity

Operating leases – lessee

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

Leases expiring:	2022 £	2021 £
Later than one and not later than five years	313,917	393,121
Later than five years	-	-
	<u>313,917</u>	<u>393,121</u>

19 Deferred taxation

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
The movement in the deferred tax provision during the year was:				
Provision brought forward	3,540	-	4,975	-
Profit and loss account movement during the year	(1,462)	-	(1,435)	-
Provision carried forward	<u>2,078</u>	<u>-</u>	<u>3,540</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Fixed asset timing differences	2,174	-	3,590	-
Tax Losses	(96)	-	(50)	-
	<u>2,078</u>	<u>-</u>	<u>3,540</u>	<u>-</u>

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

20 Fund reconciliation

Unrestricted funds - Group

	Balance at 01-Apr-21 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31-Mar-22 £
Unrestricted	(21,138,830)	13,300,449	(15,983,207)	8,864,000	(14,957,588)
Designated funds	-	-	-	-	-
	<u>(21,138,830)</u>	<u>13,300,449</u>	<u>(15,983,207)</u>	<u>8,864,000</u>	<u>(14,957,588)</u>

Unrestricted funds - Charity

	Balance at 01-Apr-21 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31-Mar-22 £
Unrestricted	(21,147,691)	13,080,735	(15,757,258)	8,864,000	(14,960,214)
Designated funds	-	-	-	-	-
	<u>(21,147,691)</u>	<u>13,080,735</u>	<u>(15,757,258)</u>	<u>8,864,000</u>	<u>(14,960,214)</u>

Restricted funds – Group and Charity

	Balance at 01-Apr-21 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31-Mar-22 £
Restricted	<u>229,442</u>	<u>962,908</u>	<u>(962,908)</u>	<u>-</u>	<u>229,442</u>

Fund descriptions

a) Unrestricted funds – Group and Charity

The unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives as detailed in the Trustees' Report.

b) Designated funds – Group and Charity

None

c) Restricted funds – Group and Charity

Restricted funds have been established upon receipt of funds to cover the costs of specific staff expenses. 2022 income is largely made up of the National Leisure Recovery Fund

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

21 Analysis of net assets between funds

	Unrestricted		Restricted		Total	
	Group	Charity	Group	Charity	Group	Charity
	£	£	£	£	£	£
Fixed assets	1,297,451	1,282,593	-	-	1,297,451	1,282,593
Investments	-	2	-	-	-	2
Net current assets	(419,039)	(406,809)	229,442	229,442	(189,597)	(177,367)
Creditors: more than one Year	-	-	-	-	-	-
Pension liability	(15,836,000)	(15,836,000)	-	-	(15,836,000)	(15,836,000)
Total	(14,957,588)	(14,960,214)	229,442	229,442	(14,728,146)	(14,730,772)

22 Reconciliation of net income/(expenditure) to net cash flow from operating activities

Group	2022 £	2021 £
Net (expenditure) for the year	(2,684,220)	(1,506,011)
Interest (receivable)/payable	(1,525)	(1,907)
Depreciation of tangible fixed assets	455,391	474,564
Profit on disposal of fixed assets	(25,083)	(10,958)
Corporation tax paid	-	-
Pension funding	2,818,000	1,409,000
(Increase)/decrease in stock	(1,438)	7,331
(Increase)/decrease in debtors	603,530	(827,208)
Increase/(decrease) in creditors	1,409,262	816,630
Net cash flow from operating activities	2,573,917	361,441
Charity		
Net (expenditure) for the year	(2,676,523)	(1,498,462)
Interest (receivable)/payable	(1,525)	(1,906)
Depreciation of tangible fixed assets	447,188	466,361
Profit on disposal of fixed assets	(25,083)	(10,958)
Pension funding	2,818,000	1,409,000
(Increase) in stock	(1,438)	2,752
(Increase)/decrease in debtors	638,768	(867,837)
Increase/(decrease) in creditors	1,402,475	861,359
Net cash flow from operating activities	2,601,862	360,309

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

23 Pensions and other post-retirement benefits
Defined benefit pension plans

The charity contributes to the West Yorkshire Pension Fund, a defined benefit pension plan for qualifying employees providing benefits based upon a combination of final pensionable pay and career average earnings. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The most recent comprehensive actuarial valuation of the pension plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019.

The total credit/(cost) recognised in the period was as follows:

	2022 £	2021 £
Contributions	617,000	518,000
Current service cost	(2,981,000)	(1,641,000)
Past service cost	-	-
Net interest expense	(454,000)	(286,000)
Recognised in net expenditure	(2,818,000)	(1,409,000)
Recognised in other gains/(losses)	8,864,000	(7,626,000)
Total credit/(cost) recognised	<u>6,046,000</u>	<u>(9,035,000)</u>

Amounts recognised in the balance sheet were as follows:

	2022 £	2021 £
Present value of funded obligations	(46,335,000)	(48,993,000)
Fair value of plan assets	30,499,000	27,111,000
	<u>(15,836,000)</u>	<u>(21,882,000)</u>

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

	2022 £
Opening defined benefit obligation	48,993,000
Current service cost	2,981,000
Past service cost	-
Interest expense	1,027,000
Actuarial (gains)/loss	(6,421,000)
Contributions by scheme participants	362,000
Benefits paid	(607,000)
Closing defined benefit obligation	<u>46,335,000</u>

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

23 Pensions and other post-retirement benefits (continued)

Defined benefit pension plans (continued)

Changes in the fair value of the pension plan assets were as follows:

	2022	2021
	£	£
Opening plan assets	27,111,000	21,694,000
Interest income	573,000	507,000
Re-measurement gains on assets	2,443,000	4,530,000
Contributions by charity	617,000	518,000
Contributions by scheme participants	362,000	315,000
Benefits paid	(607,000)	(453,000)
Closing plan assets	<u>30,499,000</u>	<u>27,111,000</u>

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2022	2021
Equities	79.8%	79.7%
Government funds	7.4%	8.3%
Corporate funds	4.8%	4.6%
Property	4.0%	3.8%
Cash	2.9%	2.0%
Other assets	1.1%	1.6%
	<u>100%</u>	<u>100%</u>

The return on plan assets was as follows:

	2022	2021
	£	£
Interest income	573,000	507,000
Gain/(loss) on plan assets (excluding interest income)	2,443,000	4,530,000
Total return on plan assets	<u>3,016,000</u>	<u>5,037,000</u>

The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	2.70%	2.10%
Expected rates of salary increases	4.05%	3.85%
Expected rates of pension increases	2.80%	2.60%
Expected rate of inflation – RPI	2.80%	2.60%
Expected rate of inflation – CPI	2.80%	2.60%

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

23 Pensions and other post-retirement benefits (continued)
Defined benefit pension plans (continued)

The mortality assumptions used for longevity (in years) on retirement at age 65 are:

	2022	2021
Retiring at the balance sheet date		
- Males	21.8	21.9
- Females	24.6	24.7
Retiring in 20 years		
- Males	22.5	22.6
- Females	25.7	25.8

24 Related party transactions

Information about related party transactions and outstanding balances is outlined below:

	Expenditure £	Outstanding balances £
Stafflex Limited, a company controlled by a trustee	1,962	-
Azure Consulting, a company controlled by a trustee	765	-
At 31 March 2022	2,727	-
At 31 March 2021	- 1,757	-

These transactions have been undertaken on normal commercial terms.

Having reviewed the annual registrar of interests other reportable interests with a financial consequence are as follows:

- o £6,857 was received from Kirklees Youth Alliance for room hire, an organisation connected to A I Brown (CE)
- o £3,714,705 received from Kirklees Council, £263,605 of services purchased under service level agreements with Kirklees Council and payment made by KAL of £475,405 payment against financing charges. The Articles of Association allow the Council to appoint up to two Trustees. Trustees M S Thompson and M.S. Sokhal are Councillors for Kirklees Council and the appointed Council Trustees for KAL.

25 Financial Commitments and guarantees
Financial Commitments to Kirklees Council

	2022 £	2021 £
Outstanding contributions to facility improvements KAL	5,563,520	6,042,951
Outstanding contributions to facility improvements KALT	21,000	27,000

Guarantees

In order for the subsidiary company specified in note 14 to take the audit exemption in section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of the subsidiary company as at 31 March 2022 until those liabilities are satisfied in full.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

The additional information, which comprises detailed charitable expenditure, has been prepared from the accounting records of the charity. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the independent auditor's report thereon.

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

DETAILED CHARITABLE EXPENDITURE (including Governance Expenditure)

	2022		2021	
	£	£	£	£
Staff costs				
Salaries	4,842,528		4,606,895	
Wages	2,826,919		2,050,986	
Teachers	573,084		607,724	
Self-employed instructors	416,098		123,909	
Indirect employee costs	123,883		53,429	
Current year pension charge	2,364,000		1,123,000	
		11,146,512		8,565,943
Transport costs		366,853		17,996
Premises costs				
Repairs and maintenance	879,595		493,308	
Electricity	87,059		236,692	
Gas	4,512		249,104	
Water	175,987		68,700	
Energy savings works	70,098		118,459	
Other utility costs	4,041		3,035	
Rent	195,365		250,575	
Insurance	72,072		65,227	
Water treatment	94,576		38,232	
Non-recreational equipment	50,629		32,759	
Rates	11,601		5,184	
Other	248,729		162,122	
		1,894,264		1,723,397
Supplies and services				
Equipment	154,143		93,103	
Marketing	242,737		159,820	
IT	341,759		206,875	
Postage, printing and stationery	24,846		7,204	
Communications	20,358		27,068	
Resale items	64,712		3,643	
Depreciation	447,188		466,361	
Kirklees Metropolitan Council finance charges	479,431		479,307	
Professional	169,018		111,993	
Licences	92,504		61,847	
Financial	479,405		307,390	
Irrecoverable VAT	429,006		96,849	
Other	103,825		58,921	
		3,048,932		2,080,381
Kirklees Metropolitan Council service level agreements		263,605		223,707
Total expenditure		<u>16,720,166</u>		<u>12,611,424</u>