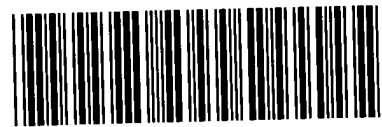


Charity registration number 1152401

Company registration number 08361324 (England and Wales)

LEGACY LEISURE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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LEGACY LEISURE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Chair	E Holmes
Other Trustees	M Johnson S Blount
Charity number	1152401
Company number	08361324
Principal address	3 De Salis Court Hampton Lovett Droitwich Spa Worcestershire WR9 0QE
Registered office	5 Deansway Worcester Worcestershire WR1 2JG
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Bankers	Santander Corporate Banking 298 Deansgate Manchester M3 4HH
Solicitors	Harrison Clarke Rickerbys 5 Deansway Worcester WR1 2JG

LEGACY LEISURE LIMITED

CONTENTS

	Page
Trustees' report	1 - 13
Statement of Trustees' responsibilities	14
Independent auditor's report	15 - 17
Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21 - 32

LEGACY LEISURE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are pleased to present their report together with the financial statement of Legacy Leisure for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association dated 14th March 2013 which was subsequently amended on the 23rd June 2013, 20th September 2013 and 23 September 2014, by Resolution dated 20th August 2014, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

1) Governance, Structure and Management

Legacy Leisure is a charitable company limited by guarantee, incorporated on 15th January 2013 and registered as a Charity on 12th June 2013. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Directors of the company are also the Charity Trustees for the purposes of Charity law and under the company's Articles are known as members of the Management Committee, those who served during the year were:

Eva Holmes (Chair)
Martin Johnson (Trustee)
Stuart Blount (Trustee)

The Charity may by ordinary resolution appoint a person who is willing to act to be a director. The minimum number of directors of the Charity is three. If the number of directors is less than the number fixed as the quorum, the continuing directors, or director may act only for the purpose of filling vacancies or of calling a general meeting.

Two members of the Management Committee give their time voluntarily and receive no benefits from the Charity. The third member of the Management Committee Eva Holmes, receives a remuneration. Expenses are reclaimed from the Charity please refer to note 8 for details.

Key Management Personnel as detailed in note 17 include the Trustees, and the Managing Director.

Directors Duties

The directors (Trustees for the purposes of Charity Law) of the charitable company, as those of all UK companies, must act in accordance with a set of general duties.

These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Organisational Structure

Legacy Leisure has a Management Committee of a minimum of three members who meet on a quarterly basis and are responsible for the strategic direction and policy of the Charity. At present the Committee has three members.

A scheme of delegation is in place and day to day responsibility for the provision of services rest with the Managing Director of Legacy Leisure, Regional Directors and site Operational Managers. They are responsible for ensuring that Legacy Leisure delivers the services specified and that the key performance indicators are met. They are also responsible for the individual supervision of the staff teams and for ensuring that the team hold relevant qualifications and they continue to develop their skills and working practices in line with good practice.

Trustee induction and Training

Potential trustees are inducted by means of an induction programme that includes:

- Background to Legacy Leisure
- Purpose of the post, duties, liabilities and responsibilities
- The obligations of Management Committee members
- The main documents which set out the operational framework for the charity including the Memorandum and Articles
- Resourcing and the current financial position as set out in the latest published accounts
- Future plans and objectives

Risk Management

The charitable company has established an ongoing process for identifying, evaluating and managing Legacy Leisure's key risks. This process includes the review of non financial as well as financial risks. The primary concern of Legacy Leisure is to ensure the Health and Safety of the public and employees at its leisure centres. As part of the risk management process, policies and procedures have been established with the intention of managing risk appropriately and ensuring compliance with appropriate legislation. The trustees take advice from experts where appropriate.

Legacy Leisure is also concerned with financial risks, the Management Committee reviews and agrees policies for managing each of these risks and they are summarised below.

Price risk

Legacy Leisure consumes significant amounts of energy in the course of its operations due to heating of leisure centre swimming pools and saunas. Therefore, Legacy Leisure is exposed to price risk in the energy sector. Details of the management of this risk are included in the strategic report.

Credit risk

Legacy Leisure has no significant concentrations of credit risk. The charitable company has implemented policies that require appropriate credit checks on potential customers before sales commence.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Relationships with other Groups, Charities and Individuals

Legacy Leisure works closely with Local Authorities, for which they run leisure centres, along with National Governing Bodies & Community Groups/Clubs to ensure that the community's needs for access to the leisure facilities are met & that the programming is all inclusive and accessible.

Business relationships and ethics

All employees seek to be honest and fair in relationships with customers and suppliers. Every attempt is made to ensure that services are provided to the agreed standards and all reasonable steps are taken to ensure the safety and quality of those services. The Company has adopted an Anti-bribery Policy and Procedure in order to identify and mitigate any risks that may arise from its dealings with current or prospective clients, contractors, suppliers or consultants that may act on behalf of the Company.

Related Parties

Legacy Leisure does not currently have any related parties other than its current members.

Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment within Legacy Leisure continues and that the appropriate support & training is provided. It is the policy of the Charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee Engagement

The Board recognises the significance of employee stakeholders and the views of the workforce are taken into account by the Board when developing strategy. There are a number of ways that this is achieved as detailed below.

The implementation of an intranet platform and social media platform in the company has been useful in ensuring robust communications during this unprecedented period.

We aim to attract and retain the best people by investing in their development and success, an example of such investment is the provision of support for additional qualifications. We also use an apprenticeship scheme to attract the next generation of employees into our business. Our employee's contribution is rewarded through a competitive pay and benefits package; which includes free use of our facilities and a discounts and concierge programme.

Legacy Leisure recognises the significance of employee stakeholders and the views of the workforce are taken into account by the Charity when developing strategy. There are a number of ways that this is achieved.

Employee Forum: The principal mechanism for employee engagement in the company is the employee forums. Employee forums are held nationally and regionally during the course of the year and these are attended by Operational Directors. The forums provide an opportunity for employees to be informed about strategic issues and their views and ideas are actively sought by the Operational Directors and Managing Director of Legacy Leisure who attend. Topics of discussion include details of business strategy, economic factors affecting the company, financial performance and health and safety updates. Employees who attend gather feedback and issues from their local colleagues to be raised at the forums and there are open sessions for feedback and questions with the Operational Directors. Updates and responses from questions raised to the Directors at the forum are subsequently circulated to each centre.

Social Media: The implementation of a social media platform in the company has been a useful new tool in engagement and an effective communication channel with employees. This is used on a daily basis to update the workforce on issues, to share news and views and get immediate feedback.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Employee Surveys: Employee surveys are used to measure employee engagement. Mental wellbeing surveys have been conducted extensively with both furloughed and maintained workforce. Results have been shared and future improvements are being developed accordingly, including mental wellbeing training and one:to:one drop in sessions.

We aim to attract and retain the best people by investing in their development and success, an example of such investment is the provision of support for additional qualifications. We also use an apprenticeship scheme to attract the next generation of employees into our business. Our employee's contribution is rewarded through a competitive pay and benefits package; which includes free use of our facilities and a discounts and concierge programme.

2) Objectives and activities

Legacy Leisure's purpose, as set out in the objectives is contained in Legacy Leisure's Memorandum of Association and detailed below, is to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of the public at large or for individuals who have need of such facilities by reason of their age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

The aim of our Charity is to promote sport and leisure activities in the local community, to improve the health and wellbeing of the public at large through the provision of leisure facilities that promote exercise and provide a social arena.

No change in the nature of these activities occurred during the year.

The Focus of our Work

Our main objective for the year was the management of leisure facilities. Legacy Leisure undertakes this activity with a view to promoting sport and leisure in local communities. The strategies we used to meet this objective included:

Our Vision

It is the Vision of Legacy Leisure to inspire communities into active, healthy and fulfilling lifestyles that are culturally alert and ethically aware. This will be achieved through a varied programme that will include recreational activities, cultural events, educational schemes and competitive opportunities.

At the very core of our philosophy lies engagement and outreach. Engagement with the communities that we already serve and outreach to the wider community not yet accessed. Legacy Leisure will provide an open and accessible service to all, through effective programming and marketing of products with a diverse appeal, reflecting the wide demographic blend of our modern day communities.

Legacy Leisure will aspire to be the hub of the community, a trustworthy and dependable focal point for social, recreational and cultural enlightenment and fulfilment.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Our Objectives:

- **Engage:** To connect with communities through outreach programmes, to offer a warm and genuine welcome to every participant and to ensure that customer care is at the heart of everything that we do, to support and motivate our patrons.
- **Inspire:** To provide pathways for personal sports development from entry level to elite sports performance where desirable.
- **Educate** To educate communities in the extensive benefits of physical activity and healthier living to prolong lifetimes and minimise the impact of health related illness. To positively impact on the wellbeing of communities by providing educational courses on smoking cessation, diabetes, blood pressure, obesity and physical inactivity. To provide a range of arts and culture focussed activities that will inspire, stimulate and provoke new interest.
- **Participate:** To provide sporting opportunities for participation at every level, from beginners, intermediate, recreational through to elite and to ensure our facilities are inclusive & accessible to all.
- **Enhance Lifestyles:** To contribute towards a healthier nation with reduced child and adult obesity, where the community members are encouraged to lead more active and healthier lifestyles to improve health and well being, to create activity pathways for the over 50 population to minimise the impact of illness later in life. To encourage more active and healthier lifestyles that will lead to a better quality of life. To deliver programmes that not only increase active participation, but improve on social welfare by creating a network of support for participants.
- **Supporting our local communities:** By making available grant funds for community groups, clubs and individuals on application, that will support local initiatives and personal sporting or physical activity goals which would otherwise not be possible through other means.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Our Ethos:

- **Excellent customer care:** To ensure every customer is treated courteously with respect, attention and care. To provide clean, safe and appropriately maintained facilities.
- **Socially responsible:** To take a positive lead in ensuring people from different backgrounds respect and interact together. To lead by example by providing inspirational employment opportunities to all.
- **Ethically responsible:** To minimise our carbon footprint by being environmentally responsible, maintaining good housekeeping practices and caring for our environment.
- **Attracting hard to reach groups:** To develop a programme that specifically targets hard to reach and minority groups such as the disabled, ethnic or diverse backgrounds, over 50's, children and inactive people. To provide a range of initiatives that increase opportunities for participation in these demographics.
- **Awareness:** Raise awareness of the opportunities for sport, leisure and cultural interaction within local communities through effective marketing and PR strategies, targeted towards the local population.
- **Create Loyalty:** To ensure all Legacy Leisure products inspire customers to continue with positive lifestyle changes. To support maintained interest and commitment to these lifestyles by providing suitable and accessible facilities delivered to a high standard. To ensure facilities, activities and products are available during each visit, and to promote follow up visits. To consistently offer high quality services, diverse programmes and accessible facilities that the local community feels proud of and that keeps participants engaged over a sustained period of time.
- **Developing People** To encourage and motivate our staff to be the best in the business. To offer career and personal development opportunities through comprehensive training and succession planning. To deliver volunteer and apprenticeship programmes to create employment opportunities in the local community through partnerships with local schools, colleges and other education centres.

Public Benefit

In order to meet our objectives, the Trustees have considered the Charity Commission's guidance on public benefit in deciding what activities Legacy Leisure should undertake.

All of Legacy Leisure's activities are focused on the delivery of promoting sport, leisure and health & wellbeing activities to the community local to each of our leisure facilities alongside promoting social interaction. The public benefits delivered below including possible outcomes:

- The provision of leisure facilities for the general public use i.e. sports halls, gyms, swimming pools etc.
- The advancement of amateur sports by classes, lessons, coaching and the availability of team sports at our leisure facilities and equipment for the purposes of keeping fit and recreational sport. This includes the running of and ability to participate in group activity/competitions.
- The promotion of health and well-being by strategies put in place to increase participation in community sports and links with other health promotion providers.
- Arrangements for members of societies with special needs, the elderly and people with disabilities to ensure inclusion for all.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

3) Strategic Report

The description under the headings "Achievements and Performance" and "Financial Review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and Performance

Throughout 2021 Legacy Leisure Limited has operated leisure centres with a wide range of both wet and dry facilities along with some dual use sites linked to Schools.

Legacy Leisure has continued to operate 13 leisure contracts in 2021.

- **West Berkshire:** seven leisure centres, including some dual use facilities linked to local schools, the largest of which is Northcroft Leisure Centre.
- **Vale of Glamorgan:** five leisure centres, including some dual use facilities linked to local schools in the area, the largest of which is Barry Leisure Centre.
- **Cherwell:** three leisure centres, including some dual use facilities linked to local schools in Cherwell, the largest of which is Spiceball Leisure Centre in Banbury.
- **Kettering:** four leisure centres in Kettering, the largest of which is Kettering Swimming Pool.
- **Cherwell - Woodgreen:** one leisure centre in Woodgreen comprising Woodgreen Leisure Centre.
- **North Somerset:** three leisure centres in North Somerset. The largest centre in the North Somerset contract is Hutton Moor Leisure Centre in Weston-super-Mare.
- **South Northamptonshire:** two leisure centres in South Northamptonshire. The largest centre in the South Northamptonshire contract is Towcester Centre for Leisure.
- **Cherwell Pavilions:** one leisure facility in Cherwell Pavilions, Whiteland Farm Sports Ground.
- **Cardiff:** one leisure facility, Cardiff International Pool.
- **Salisbury:** one leisure facility, Salisbury Health and Fitness Club.
- **Erewash:** four leisure facilities, West Park Leisure Centre, Victoria Park Leisure Centre, Rutland Sports Park including Pewit Golf Course, and Sandiacre Friesland Sports Centre.
- **Leeds Forum:** one leisure centre

In December 2021, Legacy Leisure commenced operations at a new contract Burnham Swim and Sports Academy.

In June 2021, our small contract at Stratfield Brake, Kidlington came to an end.

There were thirty-four centres operated by Legacy Leisure in 2021 throughout which the LeisureCentre.com brand is operated and allows customers to utilise both the fitness gym, swimming pools and health suite where available, by way of monthly memberships or pay and play.

Health & Safety management remains a core focus. Whilst Covid-19 has forced us to develop new working systems and practices, our Management team has been central in supporting UKactive as sector leaders in developing best practice. We continue to maintain our ISO45001 status throughout the business, this is the foremost ISO standard for management systems of occupational health and safety.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

The facilities are used by the local communities, both by customers with memberships and by non-members. Legacy Leisure endeavours to ensure that customers are a key priority and feedback on cleanliness and services provided is encouraged to allow us to monitor that the high standards we set are being achieved, and allow us to make improvements where necessary.

Community Fund Awards:

During 2021, the Community Grant Fund was put on hold due to the on-going periods of lockdown and Covid 19. This was re-launched in January 2022.

Streamlined energy and carbon report

2021		
Emission Scope	Total Annual UK Energy Use	Associated Greenhouse Gas Emissions
	(kWh)	(tCO ₂ e)
Scope 1 <i>Emissions from activities for which the company own or control</i>	29,493,745	5,408
Scope 2 <i>Emissions from purchase of electricity and heat for own use</i>	9,217,494	1,921
Scope 3 <i>Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel</i>	43,190	11
Total	38,754,429	7,340

Intensity Ratio	
tCO ₂ e per m ² of usable internal floor area	0.076

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

2020		
Emission Scope	Total Annual UK Energy Use	Associated Greenhouse Gas Emissions
	(kWh)	(tCO ₂ e)
Scope 1 <i>Emissions from activities for which the company own or control</i>	25,676,963	4,725
Scope 2 <i>Emissions from purchase of electricity and heat for own use</i>	10,203,333	2,173
Scope 3 <i>Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel</i>	42,566	10
Total	35,922,862	6,908

Intensity Ratio	
tCO ₂ e per m2 of usable internal floor area	0.052

Methodology

Total energy use covers gas, LPG, heating oil, burning oil, electricity purchased, transport mileage, and heat purchased across Legacy Leisure.

Associated Greenhouse gases have been calculated using GHG protocol methodology (including the Corporate Standard, GHG protocol upstream leased assets document) and Environmental Reporting Guidelines.

Energy use has been measured using the operational control approach.

Conversion factors from the UK Government 2021 GHG Conversion Factors for Company Reporting as published by the Department for Business, Energy & Industrial Strategy (BEIS) and the Department for Environment, Food & Rural Affairs (DEFRA) have been used to calculate GHG emissions. The 2020 data was produced using the 2020 conversion factors.

Energy Efficiency Action Taken

In the period covered by the report the Company has installed LED lighting, efficient smart ventilation systems, insulation, more efficient heat exchangers, more efficient pumps, boiler replacements and smart optimised building controls. The charitable company has also installed gas smart meters to improve access to utility data for better ongoing energy monitoring and management, this project will be completed in 2022.

The Company has amended the maintenance strategy to ensure that all replacement equipment is upgraded to the most efficient version upon replacement. An energy training programme was delivered to all managers in the Company during the period covered by the report.

As we are starting to see increasing volatility in the utility markets, a working Group, including a number of key personnel has been established to introduce new operational measures. The key priorities are:

- The introduction of Gas & Electricity electronic loggers across the core estate to ensure daily digital monitoring of consumption.
- A fundamental review by third party partners to survey all sites to establish if mechanical & electrical systems are operational and fully optimised.
- Third party surveys to ascertain any new investment opportunities.
- Enhanced training to be provided across the estate, initially aimed at Managers but also extended to the wider workforce.
- Establish a comprehensive table of energy investment initiatives, highlighting detailed return on investment.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial Review

The pandemic continued to have a significant impact on the performance of Legacy Leisure in 2021: As the year started we were again plunged into lockdown on 6th January, with the vast majority of our workforce again placed on furlough. Despite a large number of our facilities not reopening until 12th April, we were able to work in partnership with all our Local Authority partners to not only receive direct financial support but also to successfully apply and ultimately receive invaluable National Leisure Recovery Funding. This funding allowed losses to be largely curtailed, resulting in a profit before tax of £91,712 (2020: loss before tax of £188,878). The Company generated revenues from charitable activities of £17.6 million (2020: £18.6 million), which represents a decrease of £1.0 million.

Inevitably there have been impacts on cash balances due to reduced revenue, whilst costs (although greatly reduced) continued to be incurred. We managed to partially offset these negative effects on cash by taking advantage of Government initiatives aimed at supporting businesses, including claiming Job Retention Scheme support and taking advantage of business rate reductions on property. We also proactively managed cash by reducing our cost base, deferring VAT payments, and sensitively managing supply chain payments.

The way in which we worked collaboratively, on an open book basis to seek direct financial support from our Local Authority partners has been a real highlight in an undoubtedly challenging period. Not only has this strengthened relationships but it has also facilitated the opportunity to carry out fundamental reviews of facilities, products and services. In many ways these reviews have resulted in improvements that will undoubtedly help drive greater recovery and future participation in our facilities, not only helping nurture improved physical and mental health & wellbeing in the local communities we serve but also allowing for more sustainable programming.

Principal Risks and Uncertainties

The unprecedented impact of Covid-19 had a profound impact on customer participation and inevitably revenue. During the period, Legacy Leisure vigorously implemented changes within its facilities and other activities including repurposing areas to allow users to workout in a socially distanced way. We also maintained measures to ensure that the number of users in the facilities complied with the required standards for Covid-19 safe use, providing cleaning stations and enhanced cleaning regimes to provide safe spaces for our staff and users.

The recovery from Covid-19 progressed positively during 2021, with our core revenue lines of Swimming Lessons, Swimming Memberships and Health & Fitness Memberships exceeding sector averages. By the end of the year swimming lessons were 19% above pre Covid-19 levels on a like-for-like basis. In Swimming Memberships we managed to exceed pre Covid-19 levels by 21%. Whilst Health & Fitness was always anticipated to take longer to re-establish, the year ended with 85% recovery, largely well ahead of sector-wide reporting.

Expectations are that Health & Fitness recovery will reach pre Covid-19 levels by July 2022, whilst the opportunity to extend Swimming Lesson and Membership levels to in excess of 25% by the end of 2022 seems realistic.

During the course of 2021 we started to see increasing volatility in the utility markets, with Brexit, a Global pandemic and supply concerns pushing prices to all-time highs. It was already felt by the Board of Directors that until the covid pandemic had settled and post Brexit concerns were resolved, prices would not retreat. However, whilst markets remained impossible to predict, the situation has subsequently worsened and become even more challenging as a result of the invasion of Ukraine by Russia.

It is clear that the significant increase in utility prices is not a short term issue given the current wholesale prices for 2022, 2023 and 2024. This impact will undoubtedly be a significant challenge for the whole UK public leisure market and will be a core priority for the team to manage going forward.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

During the course of 2021 it became apparent that workforce challenges as a result of Covid-19 and Brexit had been exacerbated. Subsequently a comprehensive review of recruitment, onboarding and retention of colleagues commenced. This included significant developments in:

- Development of Mental Health support programmes, including the introduction of Mental Health Trainers.
- Enhancements to Terms & Conditions of employment, including wider discounts initiatives available to employees.
- Improvements to Digital Training Modules.
- Improvements to the Career Pathway Programme.
- Digital onboard of new employees.
- Improved staff communications.

These measures and further developments will be crucial to ensure future challenges in the human workforce do not stifle our recovery and growth plans.

Principal Funding Source

The Charity's principal source of income is from the provision of leisure facilities to the general public, through the operation of local authority leisure centres. The local authority leisure centres are used by the public for a variety of purposes including recreation, fitness and lessons. The facilities operated by the Charity comprise swimming pools, fitness gyms, sports halls, tennis courts and outdoor playing fields/pitches. This forms the Charity's Unrestricted Funds.

To enable the leisure facilities to provide a wider range of programmes, individual centres also look to acquire grant funding and subsidies from government schemes. This forms the Charity's Restricted Funds.

Reserves Policy

The Unrestricted funds as at 31st December 2021 stood at £261,080 (2020: £169,368). Due to the impact of the pandemic and closure and restrictions of all our facilities in 2021, the unrestricted funds has been impacted throughout this period. We anticipate that these funds will start to improve now we have reopened our facilities and customers are starting to return to some sort of normality.

The income and property of the Charity shall be applied solely towards the promotion of its object, the provision of leisure facilities. The Management Committee continually reviews the Charity's requirements for reserves. The risk to the Charity is the level of fixed costs and committed community funded grants. The Management Committee has retained reserves to meet its budgeted fixed costs plus committed community funded grants for the financial year following the latest approved annual financial statements and will aim to maintain them at this minimum level.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for the Future

As a result of the strong and positive negotiations we conducted with our Local Authority partners and the subsequent financial support provided we are well placed to explore future new business opportunities.

Whilst open procurement inevitably slowed and only 1 contract being secured in the final quarter of 2021, we did see an increase in UK public sector contracts coming to procurement at the end of 2021.

Whilst our focus will clearly be on transitioning the business back to pre Covid-19 levels and then achieving greater profitable growth (and improving cash flow), there will undoubtedly be new business opportunities which we feel well positioned to explore.

During the period of closure we continued to develop measures to ensure we were in the best possible position to drive recovery and community engagement. These developments included:

- New Swimming hub on the website with enhanced content.
- Ability to join online (including payment) for swimming lessons.
- Retail purchases to aid 'at home workouts' offered online for customers
- Enhanced benefits offered to members via the App
- Tablet integration to facilitate data gathering and online joining delivered through the estate.

During the lockdown we also conducted an extensive 'Checking in Survey' with employees, the results were very positive, with highlights including:

- **Health and Safety:** Very positive feedback. The responses highlighted that employees understood the company's safety measures in place, felt informed and were aware of where to go for more information.
- **Well being and confidence:** Again a positive picture, with over 80% of employees scoring 4 or 5 regarding teamwork, the belief that the company was doing the right thing and making a positive impact in the community.
- **Communication:** An overall positive outlook, with over 80% happy with the content, details and regularity of feedback provided.

We will continue to review and manage any changes as they happen to ensure we get back to normal as soon as practically possible. Exercise will play a key role in the covid recovery and the current medical guidance is for people to get back to their previous level of activity as soon as possible, even aiming to be more active than before so we anticipate a positive response to removal of restrictions and customer confidence to be high.

Legacy Leisure will also continue to look for new forms of funding and grants that will allow it to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of the public at large or for individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

LEGACY LEISURE LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Social Value

Legacy Leisure is committed to delivering services on behalf of our partners in accordance with the aims of *The Public Services (Social Value) Act 2012* through the delivery of health, economic, social and environmental benefits. We achieve this through well-operated, well-resourced facilities and highly capable central support services. We have a track record of providing targeted interventions and programmes for the local community and delivering increased participation in health & physical activity. We adapt and grow over the life of partnerships ensuring our offer remains relevant, bespoke, fresh and one that all our partners can be proud of. We are committed to payment of the living wage, employing locally, providing apprenticeships and training opportunities and using local suppliers. We are focused and fully committed to contributing to net zero carbon targets through investment and delivery of decarbonisation measures and reducing energy use.

Legacy Leisure was one of the first public sector leisure operators to commission a detailed social value report, based on actual participation and demographic data from all our sites to understand the true impact we have on our communities. This showed that we generated £43.8M of Social Value and saved the NHS £7M by preventing more than 3,535 cases of stroke, dementia, depression and type-2 diabetes.

The report is underpinned by industry-leading research undertaken by Sheffield Hallam University for Sport England and in partnership with 4Global. The report showed Legacy Leisure generated higher than the sector average social value per member (£431.95) through improved health and subjective well-being, increased educational attainment and reduced crime. Following on, we have undertaken assessments at a hyper local level identifying the social value generated at contract level and for a number of specific sites.

Understanding the impact we have and social value generated underpins all aspects of our business and shapes our programming and outreach. The assessment of participation data and customer demographics will be undertaken again in 2022 in order to demonstrate and inform our post Covid-19 recovery and growth as we move forward into 2023 and beyond.

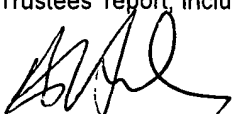
Auditor

In accordance with the company's articles, a resolution proposing that Kendall Wadley LLP be reappointed as auditor of the charitable company will be put to the Annual General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.



E Holmes

Trustee

Dated: 26 April 2022

LEGACY LEISURE LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are also the directors of Legacy Leisure Limited for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LEGACY LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LEGACY LEISURE LIMITED

Opinion

We have audited the financial statements of Legacy Leisure Limited (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

LEGACY LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF LEGACY LEISURE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 charity for the purpose 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 charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

LEGACY LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LEGACY LEISURE LIMITED

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

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board of Trustees is obtained and their attitude to risk ascertained
- an understanding of the legal and regulatory framework as applicable to the charitable company is obtained together with knowledge of the procedures put in place by the charitable company in order to comply with the same
- it is established if there have been any instances of non-compliance with applicable laws and regulations, where there are such breaches, a full understanding, including gathering of relevant documentation appertaining to the event is obtained and assessed
- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made

Audit response to risks identified

It is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charitable company

Processes to test the outcomes of our assessment include:

- a review of the Board of Trustee minutes
- analytical review
- assessing the relevance and accuracy of significant accounting estimates
- substantive testing of significant transactions, including work to identify unusual or unexpected accounting entries including the testing of journal entries
- information disclosed in the financial statements is agreed supporting documentation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material mis-statement in the financial statements or non-compliance with regulation. It is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error. It should also be noted that Auditing Standards limit the 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Elizabeth Needham ACA CTA (VAT) (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

26 April 2022

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

LEGACY LEISURE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	3,272,519	-	3,272,519	6,927,475	500	6,927,975
Charitable activities	4	17,436,121	164,600	17,600,721	18,493,686	110,513	18,604,199
Investments	5	977	-	977	4,803	-	4,803
Total income		20,709,617	164,600	20,874,217	25,425,964	111,013	25,536,977
Expenditure on:							
Charitable activities		20,612,414	170,091	20,782,505	25,614,842	111,013	25,725,855
Net incoming/(outgoing) resources before transfers		97,203	(5,491)	91,712	(188,878)	-	(188,878)
Gross transfers between funds	11	(5,491)	5,491	-	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		91,712	-	91,712	(188,878)	-	(188,878)
Fund balances at 1 January 2021		169,368	-	169,368	358,246	-	358,246
Fund balances at 31 December 2021		261,080	-	261,080	169,368	-	169,368

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LEGACY LEISURE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Stocks	12	180,906		231,643	
Debtors	13	1,806,109		2,037,488	
Cash at bank and in hand		2,474,335		637,566	
		<u>4,461,350</u>		<u>2,906,697</u>	
Creditors: amounts falling due within one year	14	<u>(4,200,270)</u>		<u>(2,737,329)</u>	
Net current assets			<u>261,080</u>		<u>169,368</u>
Income funds					
Unrestricted funds			<u>261,080</u>		<u>169,368</u>
			<u>261,080</u>		<u>169,368</u>

The financial statements were approved by the Trustees on 26 April 2022

E Holmes
Trustee



Company registration number 08361324

LEGACY LEISURE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	18	1,835,792		390,680	
Investing activities					
Investment income received		977		4,803	
Net cash generated from investing activities			977		4,803
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents		1,836,769		395,483	
Cash and cash equivalents at beginning of year		637,566		242,083	
Cash and cash equivalents at end of year		<u>2,474,335</u>		<u>637,566</u>	

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Legacy Leisure Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Deansway, Worcester, Worcestershire, WR1 2JG.

Activities are transacted through a number of leisure centres, details of which can be found on the website www.legacyleisure.org.uk.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of their charitable objectives.

Restricted funds are subject to the specific conditions imposed by donors as to how they may be expended. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Grant income is recognised in the statement of financial activities when received in accordance with the SORP.

Other sources of income represent monies received in the pursuit of leisure activities or hire of facilities, net of VAT and is recognised in the statement of financial activities at the point in which the activity is undertaken.

Investment income is included in the statement of financial activities in the year in which it is receivable.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are included in the financial statements as soon as recognised.

Costs of generating funds comprise those costs associated with attracting voluntary income and the cost of providing the leisure facilities.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, whereas other costs are apportioned on a basis of estimated usage.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

The charitable company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year they are payable.

The charitable company also has a small number of employees who are members of defined benefit pension schemes. These schemes are multi-employer schemes and the charity is unable to identify its share of the underlying assets and liabilities in them on a consistent and reliable basis. As such the contributions are accounted for as if the schemes were defined contribution and contributions are charged as they become payable.

2 Critical accounting estimates and judgements

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

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

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021	2020	2020	2020
	£	£	£	£
Donations and gifts	1,000	-	500	500
Government Grants	3,271,519	6,927,475	-	6,927,475
	<u>3,272,519</u>	<u>6,927,475</u>	<u>500</u>	<u>6,927,975</u>
Grants receivable for core activities				
Covid Business Support grants	1,032,146	187,050	-	187,050
Job Retention Scheme, Furlough Grants Claimed	2,239,373	6,740,425	-	6,740,425
	<u>3,271,519</u>	<u>6,927,475</u>	<u>-</u>	<u>6,927,475</u>

The charity has taken advantage of funding available from the Government and local councils to secure monies to mitigate costs incurred through enforced periods of closure occasioned by the Covid-19 pandemic.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	Activities for generating funds	Grants and other restricted funds	Total 2021	Total 2020
	£	£	£	£
Swimming Pool and Memberships	2,756,437	-	2,756,437	2,037,459
Fitness Gym and Memberships	6,704,050	-	6,704,050	7,511,933
Tennis and Memberships	6,399	-	6,399	18,805
Wetside Courses incl. classes	3,564,156	-	3,564,156	2,293,872
Food and Beverage incl. Vending	260,170	-	260,170	558,541
Goods for Resale	228,874	-	228,874	171,491
Diving	-	-	-	596
Facilities Hire	698,885	-	698,885	405,717
Other Indoor Activities	447,802	-	447,802	589,985
Creche and Holiday Programme	6,216	-	6,216	27,621
Outdoor Activities	323,714	-	323,714	351,418
Other Income	236,640	-	236,640	289,564
Managed Business Fees	2,202,778	-	2,202,778	4,236,684
Performance Related Grants (see below)	-	164,600	164,600	110,513
	<u>17,436,121</u>	<u>164,600</u>	<u>17,600,721</u>	<u>18,604,199</u>
Analysis by fund				
Unrestricted funds	17,436,121	-	17,436,121	
Restricted funds	-	164,600	164,600	
	<u>17,436,121</u>	<u>164,600</u>	<u>17,600,721</u>	
For the year ended 31 December 2020				
Unrestricted funds	18,493,686	-		18,493,686
Restricted funds	-	110,513		110,513
	<u>18,493,686</u>	<u>110,513</u>		<u>18,604,199</u>

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

(Continued)

	2021 £	2020 £
Performance related grants		
Health Promotion Officer	(5,491)	13,333
Get Up and Go	-	180
Cardiff Bay, Economic Resilience Fund	122,000	92,500
Weight Watchers	-	4,500
Cancer Rehabilitation	1,302	-
Sharks Swimming	8,937	-
Holiday Activity and Food programme	37,392	-
Golden Fund	460	-
	<u>164,600</u>	<u>110,513</u>

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	<u>977</u>	<u>4,803</u>

6 Grants payable

	2021 £	2020 £
Grants to sports clubs	-	2,866
	<u>-</u>	<u>2,866</u>

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	9,000	9,000	-	9,000	9,000
	<u>-</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>	<u>9,000</u>	<u>9,000</u>
Analysed between Charitable activities	-	9,000	9,000	-	9,000	9,000
	<u>-</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>	<u>9,000</u>	<u>9,000</u>

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Trustees

E Holmes received remuneration amounting to £18,000 (2020: £18,000) as allowed under the governing documents of the charity for services other than being a trustee, together with pension contributions of £353 (2020: £354).

None of the other trustees (or any persons connected with them) received any remuneration during the year.

One Trustee was also reimbursed £535 (2020 - two, £265) in connection with travelling and other expenses.

9 Employees

Number of employees

The average monthly number of full time employees during the year was: 604 (2020: 824). On a head count basis the average number is as follows:

	2021 Number	2020 Number
Administration and Management	262	326
Operations	907	1,699
	<u>1,169</u>	<u>2,025</u>

Employment costs

	2021 £	2020 £
Wages and salaries	10,786,437	15,447,231
Social security costs	475,735	484,580
Other pension costs	320,493	356,435
	<u>11,582,665</u>	<u>16,288,246</u>

Included in the above costs for wages and salaries is £157,346 (2020 - £210,371) in respect of redundancy costs.

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,000 - £70,000	1	1
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
	<u>2</u>	<u>2</u>

Pension contributions in respect of the higher paid staff amounted to £24,461 (2020 - £17,955).

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £123,491 (2020: £160,552).

Contributions to defined benefit schemes treated as defined contribution schemes (see accounting policies) were £197,002 (2020: £195,883).

11 Transfers

A transfer has been made from the unrestricted fund to restricted fund to cover grant funding repaid.

12 Stocks	2021 £	2020 £
Goods for resale and equipment maintenance	180,906	231,643

13 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	388,182	376,654
Other debtors	10,288	49,957
Prepayments and accrued income	1,407,639	1,610,877
	1,806,109	2,037,488

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		62,261	556,381
Deferred income	15	508,526	281,644
Trade creditors		1,362,002	510,635
Other creditors		421,642	196,341
Accruals		1,845,839	1,192,328
		4,200,270	2,737,329

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15 Deferred income

	2021 £	2020 £
Arising from Membership fees and invoices in advance	<u>508,526</u>	<u>281,644</u>
Current liabilities	<u>508,526</u>	<u>281,644</u>

The above deferred income is released in full in the subsequent accounting period.

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Income	Expenditure	Balance at 1 January 2021	Income	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£
Health Promotion Officer	-	-	-	(5,491)	-	5,491	-
Weight Watchers	4,500	(4,500)	-	-	-	-	-
Swimming lessons: shark funding	-	-	-	8,937	(8,937)	-	-
Health promotion officer (West Berkshire Borough Council)	13,333	(13,333)	-	-	-	-	-
Holiday Activity and Food Programme	-	-	-	37,392	(37,392)	-	-
Get Up and Go Funding 2020	180	(180)	-	-	-	-	-
Golden Fund	-	-	-	460	(460)	-	-
Economic Resilience Fund - Cardiff	92,500	(92,500)	-	122,000	(122,000)	-	-
	500	(500)	-	-	-	-	-
West Berkshire Council - Cancer rehab	-	-	-	1,302	(1,302)	-	-
	<u>111,013</u>	<u>(111,013)</u>	<u>-</u>	<u>164,600</u>	<u>(170,091)</u>	<u>5,491</u>	<u>-</u>

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Restricted funds

(Continued)

Weight Watchers - Grant offered by West Berkshire Public Health & Wellbeing to cover a weight management triage service to enable adults to achieve meaningful and sustainable weight loss. The weight management triage service consists of individual assessments and follow-up appointments.

Free swimming lessons under the shark scheme - (West Berkshire Borough Council) - To provide free swimming lessons for children who are identified as non swimmers in years 1,2 and 3 (and down to foundation year). The sessions run on a 50 week continuous program.

Health promotion officer (West Berkshire Borough Council) - A fixed 2 year term contract for 16 hours per week for an activity health promotion officer.

Holiday Activity and Food Programme - funding received under the government initiative to assist in providing activity and food during school holidays to those children in receipt of benefits-related free school meals.

Get Up and Go Funding - Grant offered by Northamptonshire Sport to cover Get Up & Go activity sessions. Get Up & Go is part of a countywide falls prevention programme providing strength and balance exercise sessions for older adults to improve their mobility and confidence.

Golden Fund - a grant offered by the Vale of Glamorgan Council to run sessions for the over 60's.

Economic Resilience Fund (Cardiff) - A Welsh Government Grant to support businesses affected by the COVID-19 pandemic in safeguarding jobs. This grant was to safeguard 41 (2020 - 127.5) Full-Time Equivalent jobs for 12 months by covering fixed costs during lockdown periods.

Member donations -to assist in the purchase of masks and sanitiser.

Cancer Rehab (West Berkshire Borough Council) - To provide a cancer rehabilitation programme for people living with or recovering from cancer.

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	118,765	139,721

LEGACY LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18	Cash (absorbed by)/generated from operations	2021 £	2020 £
	Surplus/(deficit) for the year	91,712	(188,878)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(977)	(4,803)
	Movements in working capital:		
	Decrease in stocks	50,737	175,088
	Decrease in debtors	231,379	942,323
	Increase/(decrease) in creditors	1,236,059	(51,933)
	Increase/(decrease) in deferred income	226,882	(481,117)
	Cash generated from operations	<u>1,835,792</u>	<u>390,680</u>
19	Analysis of changes in net funds		
	The charity had no debt during the year.		