

KIRKLEES ACTIVE LEISURE

FINANCIAL STATEMENTS

31 MARCH 2020

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Company registration number: 4331165
Registered charity number: 1091226

KIRKLEES ACTIVE LEISURE (4331165)**31 MARCH 2020****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 2020. 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

Wheawill & Sudworth Limited
35 Westgate
Huddersfield, HD1 1PA

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. Brooke
S.S. Khela
D.C. Thomson
A.N. Fletcher
Cllr. M.S. Sokhal

S.M. Sopala
B.C. Stahelin
J.S. Fletcher
D. Morby (resigned 05/01/2020)
Cllr. M.S. Thompson (appointed 25/07/2018)

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, 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 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.

At the annual Trustees half away day the Trustees took part in a workshop to help shape the Charity's new strategy, which was approved by the Board in January 2020, with the launch of the new strategy

delayed until January 2021 due to the impact of COVID-19.

The away day also gave the Trustees the opportunity to speak with senior staff from Kirklees Council, considering the priorities for the local area and where KAL could best contribute.

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

The 2019/20 annual report of the Charity has been developed within the context of a fundamental change following the emergence of the COVID-19 virus in early 2020 and the ensuing and ongoing pandemic.

The Charity closed all of its facilities and services to the public on Friday 20th March 2020, with all of the Charity's staff then being required to lockdown and work from home where possible from Monday 23rd March 2020.

This has had a catastrophic effect on the Charity's finances, with the customer income, which formed the vast majority of the Charity's funding, completely stopping.

The Charity's staff were largely placed into furlough via the government's Coronavirus Job Retention Scheme, with a further group of staff redeployed to roles within Kirklees Council, supporting their delivery in Children's Homes, with children at risk and within Care Homes. A small retained team continued to ensure the Charity's facilities were safe and secure, oversee the staff redeployed to the Council and maintain the organisation before beginning to develop reopening plans as the lockdown

phase was gradually eased.

The initial facilities managed by the Charity reopened only in late May 2020, when the golf course managed by the Charity reopened, with a further four leisure centres reopening on the 27th July 2020.

The Charity has only remained a going concern with the considerable financial support provided by Kirklees Council for which the Charity is hugely grateful.

The financial impact of the COVID-19 crisis upon the Charity are partly reflected in these annual accounts for 2019/20, but the major impact is likely to be shown within the following years accounts and, indeed, in the year's to follow this, depending on the continuing impact of COVID-19 and the socio-economic fallout from this.

Further references to the impact of COVID-19 will be made as appropriate throughout the 2019/20 annual report.

Diversity

As part of the 2017 governance review referred to above, actions have been implemented/ agreed 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.

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

Regular 121 and team meetings are held involving employees and management at which employees are 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 is 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 take 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.

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. In 2019/20, KALT made a pre-tax profit of £12,410 after making a gift aid payment of £13,974 (2018/19 profit £932; after a gift aid payment of £43,737).

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 follow:

Charitable purpose -	Example of activity -
The advancement of education	<ul style="list-style-type: none"> - The Council's school swimming service fully transferred to the Charity in April 2019, after a year of KAL shadowing the service. This provided an excellent opportunity to link this to the range of other swimming activity undertaken by the Charity and enhance the school swimming service being provided. Early enhancements include developing and reporting on additional KPI information, in terms of children's ability to safely self-rescue and to use a variety of swimming strokes. - Swimming lessons remain an important aspect of the service that the Charity provides to the local community, with 6,815 young people taking part in regular swimming lessons at the point of the COVID-19 lockdown in March 2020. - KAL also provides a range of other coaching opportunities across a variety of sports are provided by KAL, largely for children, but with some adult delivery also taking place, e.g. adult swimming lessons. These are provided during school holidays, evenings, weekends and during the day, allowing as wide a range of people as possible to access the opportunities provided. Discounts are also available for those in receipt of financial benefits via the local Kirklees Passport scheme. - Increasingly KAL holds Swim Instructor training courses at Level 1 and 2, with many attendees going on to then work for KAL. - KAL staff receive a variety of training opportunities, both provided internally and by external facilitators.
The advancement of health	<ul style="list-style-type: none"> - "Improving health & wellbeing" has now been promoted to be the new Vision for the Charity's new corporate strategy, which was approved by the Board in January 2020 and now, due to the impact of COVID-19, is set for a delayed launch and implementation in January 2021. - With some 2.7 million customer visits to the Charity's sites during

Charitable purpose -	Example of activity -
	<p>2019/20, the Charity continues to provide positive activities for a huge number of individuals to contribute towards improving their physical and mental health by making use of the facilities/ services provided. (Usage figures do not currently include invoiced usage. The method of counting usage has been reviewed so is no longer directly comparable to previous years).</p> <ul style="list-style-type: none"> - KAL's customer base is drawn from across the local demographic, with young and old, male and female and a wide range of cultural groups all making use of the services, products and programmes provided by KAL. - Such major levels of use will clearly positively contribute to the overall mental and physical health and wellbeing of local people, with an increasing number of KAL customers noting within the 2019 annual customer survey that using KAL facilities makes them feel healthier, happier and contributes to improving their quality of life
The advancement of citizenship and community development	<ul style="list-style-type: none"> - The Charity continues to encourage use from across the local community, irrespective of age, gender, nationality, disability, etc., with products, prices and promotion aimed to encourage and allow access from the wider community. - Kirklees Passports are available to customers on low incomes and these are welcomed at KAL managed sites, where cardholders receive a significant discount. - The Charity also now provides free fitness memberships for its' centres for local Care Leavers and for a number of disadvantaged groups attending the local Further Education College, including young parent and looked after children. - The Charity is also a proactive partner with a wide range of local organisations across the public and 3rd sector, working together to improve local communities and support local people to become more active and improve their quality of life.
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; trampoline club; tennis club; golf club; and a major local football club. - 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. - KAL is also the "sport" partner of the Huddersfield Town Foundation, helping to create opportunities for local young people to play football. - 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 them where possible.
The advancement of environmental protection or	<ul style="list-style-type: none"> - Reducing CO2 emissions and being as efficient as possible with energy consumption continues to be a key component of KAL's

Charitable purpose -	Example of activity -
improvement	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	<ul style="list-style-type: none"> - 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 or care leavers, etc, while the Charity also support worthy local groups, such as a school uniform exchange scheme or 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

The current Vision of the Trust is "Helping more people, become more active, more often", but a new Vision - "Improving Health & Wellbeing" - was agreed as part of KAL's new corporate strategy, approved by the KAL Board in January 2020, but now with implementation delayed, due to COVID-19, until January 2021.

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

KAL's current Business Strategy (2014-2020) was approved by the Board of Trustees in January 2014, before being implemented as of April 2014. KAL faces two headline challenges as part of this Business Strategy -

- By 2020 KAL will achieve a Customer Satisfaction Index score of 85 or more
- By 2020 KAL will remain financially sustainable

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

1. Putting People First	KAL is a people focused, high quality employer and supplier of choice for customers, striving to provide learning and skills to employees and excellent levels of service to customers, within a safe operational environment.
2. Improving Health and Wellbeing	KAL is a major contributor to improving the health and wellbeing of local communities through the promotion of healthy lifestyle choices and by providing a range of high quality opportunities to take part in sport and exercise.

	KAL will review and develop quality products, services and systems that reflect the needs of local communities.
3. Delivering Business Excellence	KAL will support the Kirklees economy by employing local people and supporting local suppliers. KAL will ensure it undertakes robust financial planning, efficiently manages energy and costs, generates income and continues to invest in local facilities.

Ensuring our work delivers our Strategic Aims

The 2014-2020 KAL Business Strategy and the 3 Aims 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 Business 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 2.7 million customer visits during 2019/20. This included customers from across the entire community spectrum of Kirklees.

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 (50+)
- Young people (up to 16)
- Women and girls
- Those with a disability
- Black And other Minority Ethnic ("BAME") groups
- The financially disadvantaged

Some of the customers to the Charity's leisure centres are part of an exercise referral programme (with KAL looking to provide a new Exercise Referral Scheme as of early 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. The main activities provided 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
- Fitness Suites, which are accessible to all and offered at a range of pricing levels, making them accessible across the community
- 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" giant pool inflatable system at Dewsbury Sports Centre; the Dare-2-Air inflatable theme park, also at Huddersfield Leisure Centre; and the Stompers soft paly and TAG X activity products at Batley Sports & Tennis Centre.

While the Charity has limited outreach capacity, it works closely with other local partners, such as Locala, the main local community health provider, and Third Sector Leaders (Kirklees), the umbrella organisation for the local VCSE sector, 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.

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 Sitara 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 recent considerable financial support for the Charity due to COVID-19, continued access to capital borrowing from the Council and the current construction of a new £18m leisure centre being are indicative of both the Council's commitment to health & wellbeing and physical activity, but also their

belief in KAL and the partnership between the 2 organisations.

Strong partnerships are also in place with the local football club – Huddersfield Town AFC and their charitable foundation, as well as with Huddersfield Giants RLFC, a number of National Governing Bodies of sports, Third Sector Leaders – Kirklees (the local umbrella association for the VCS), Locala - the local health provider, Kirklees College and a range of other local partners across the public, private and voluntary sectors.

KAL plays a key role with the Everybody Active local strategic partnership for sport and wider physical activity, the Kirklees Active Schools sub-group and is represented on the Board of Third Sector Leaders – Kirklees. KAL is also one of several Trust partners for North Huddersfield Trust School, a secondary school in an area of considerable disadvantage that is now Ofsted rated as “Good”.

KAL is a member of Community Leisure UK, the trade association for leisure and cultural Trusts in the UK, with KAL represented on the Community Leisure UK National Executive, and has good 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 local hospices, Mencap, the Yorkshire Air Ambulance, Cancer Research UK, Children in Need, Sport Relief, Uniform Exchange, Home-Start, etc.

Consultation

The Trust regularly consults 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, with 2,514 respondents in March 2019; 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.

Benefits of participation

There is 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 take place within the Charity’s facilities each year, 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, 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 make 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 also able to support a number of community groups to raise the profile of their services, fundraise and improve their sustainability.

Strategic Report

Achievement and Performance

A number of significant achievements were made during 2019/20 which can be related back to the Charity's Objects and, in particular, the 3 Strategic Aims of the Charity.

Major achievements of the Trust during 2019/20 included:

Achievement	Relevant Strategic Aim
A customer satisfaction index rating of 79.6, which was a positive increase from 76.7 the previous year and the highest index score since 2015. 91% of customers noted that they were satisfied with the service provided by the Charity. (March 2019 customer survey.)	Putting People First
6.82 satisfaction rating from the KAL staff in the annual satisfaction survey, with a slight increase from 6.62 in the 2018 survey. (April 2019 staff survey.)	Putting People First
72% of staff willing to "recommend KAL as a good place to work" in the annual staff satisfaction survey in 2019, disappointingly down from 74% the previous year (April 2019 staff survey)	Putting People First
Achieved a Net Promoter Score of 44% through TRP in 2019/20, a very positive increase from 36% in the previous year	Putting People First
Almost 2.7 million customer visits	Improving Health and Wellbeing
21,997 fitness members. There are 18,298 people registered on the Flexi Card scheme (Discounted access to activities), and 6,815 children taking part in the KAL Swim Academy	Improving Health and Wellbeing
20%* of the Charity's Members live within identified areas of disadvantage (*As at September 2019: end of year figure not available.)	Improving Health and Wellbeing
Funding from Kirklees Council as a percentage of income was 7.7% in 2019/20, compared to 7.1% in 2018/19, 11% in 2017/18, 13% in 2016/17, 15% in 2015/16, 17% in 2014/15, 22% in 2013/14 and 26% in 2012/13 from a peak of 36% in 2009/10.	Delivering Business Excellence

Financial Review

The table below summarises the group's financial performance:

	2019/20 £000	2018/19 £000
INCOME		
From customers	13,612	13,217
From customers of subsidiary	<u>334</u>	<u>286</u>
	13,946	13,503
Investment income	10	14
Funding by Kirklees MC	1,161	1,380
Other funding	<u>0</u>	<u>8</u>
	<u>15,117</u>	<u>14,905</u>
EXPENDITURE		
Staff costs, including self-employed instructors	9,189	9,129
Other costs incurred by KAL	6,047	6,009
Costs incurred by KALT	<u>251</u>	<u>185</u>
	<u>15,487</u>	<u>15,323</u>
EXCESS OF EXPENDITURE OVER INCOME, BEFORE THE EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME	<u>(370)</u>	<u>(418)</u>
EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME		
Current year charge	(2,184)	(1,040)
Re-measurement gain/ (loss)	<u>377</u>	<u>(1,291)</u>
	<u>(1,807)</u>	<u>(2,331)</u>
NET MOVEMENT IN FUNDS BEFORE TAX	<u>(2,177)</u>	<u>(2,749)</u>
Corporation Tax charge on KALT	<u>5</u>	<u>0</u>
NET MOVEMENT IN FUNDS AFTER TAX	<u>(2,182)</u>	<u>(2,749)</u>
FUNDS BROUGHT FORWARD	<u>(9,597)</u>	<u>(6,848)</u>
FUNDS CARRIED FORWARD	<u>(11,779)</u>	<u>(9,597)</u>
<i>Comprising:</i>		
Charity reserves, excluding pension liability	1,053	1,436
Subsidiary reserves	<u>15</u>	<u>7</u>
Total Funds, excluding pension liability	1,068	1,443
Pension deficit	<u>(12,847)</u>	<u>(11,040)</u>
Total Funds	<u>(11,779)</u>	<u>(9,597)</u>

2019/20 was a further year of financial challenge, largely due to continuing pressures affecting the Charity's core fitness memberships budget, linked to increased local competition and a lack of disposable income amongst the local customer base, and to the pressure placed on KAL's staffing budget with significant, continuing National Living Wage/ National Minimum Wage increases which were not match with similar levels of additional income.

Further local authority funding reductions, which had been implemented on an annual basis for a number of years, were not required in 2019/20, partly in recognition of the other financial pressures facing the Charity.

KIRKLEES ACTIVE LEISURE (4331165)

31 MARCH 2020

FINANCIAL STATEMENTS

The end of 2019/20 financial year's performance was then impacted upon by the beginning of the COVID-19 crisis

Despite these pressures, KAL's financial performance in 2019/20 was a £70k improvement upon the original year's budget, with a final deficit position of £370k.

The group's income for the year was £15,117,807 (2018/19 £14,904,760), of which £13,612,107 (2018/19 £13,224,703) was generated through charitable trading activities. The trading subsidiary contributed a further £334,255 (2018/19 £286,493) from its activities.

Total resources expended amounted to £17,420,745 (2018/19 £16,363,225) including costs incurred by the trading subsidiary of £250,627 (2018/19 £184,603).

Before the actuarial effects of the defined benefit pension scheme on the group, net resources expended amounted to £2,553,565 (2018/19 £1,458,465).

Before the effects of Corporation Tax on the trading subsidiary, net outgoing resources for the year totalled £2,181,121 (2018/19 £2,749,465) and after the estimated tax charge of £4,556 (2018/19 £177 rebate), a total of £2,642,621 (2017/18 £396,100) has been deducted from unrestricted funds.

The wholly owned subsidiary, Kirklees Active Leisure Trading Limited, recorded a net profit before taxation of £12,410 (2018/19 £932 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 £11,778,811 (2018/19 £9,597,690). Excluding the pension scheme deficit there is a general reserve of £793,211 at the end of 2019/20 (2018/19 £1,114,562). The Charity has restricted funds totalling £260,003 at the end of 2019/20 (2018/19 £320,626).

At 31 March 2020, 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

2019/20 overall provided KAL with a degree of stability to our core fitness membership product, where the financial impact appeared to be levelling out compared to the decline in this aspect that the Charity had seen in recent years. Given the scale of the income achieved relating to this aspect then it is clearly

key to ensure that this product is stable and can, when the opportunity arises, be re-grown given the ability a profitable fitness membership product provides the Charity in delivering services and products to the more disadvantaged across the Kirklees area, as well as subsidising the key swimming pool provision.

KAL's swimming programme continued to operate strongly, reinforcing KAL's position as the main swimming pool and aquatics activity provider in the area. With the full introduction of school swimming being delivered by KAL from April 2019 and complementing the various other swimming products, providing pathways between each, KAL's delivery of swimming opportunities to local people remained a key element of the Charity's activity offer.

The relatively new Family Attraction products were also developed further, with TAG X, Splash Park and Dare-2-Air in particular receiving large numbers of customers and providing to be very popular, while also encouraging positive opportunities to be active.

The combined KAL offer of fitness products, swimming activities and the Family Attractions provided an attractive offer that looked to encourage local people to become and to stay active, providing a range of opportunities for all age groups and for all sections of the community.

Work also continued, in partnership with Kirklees Council, to progress the planned new leisure centre - Spen Valley Leisure Centre – as a replacement for the former Spenborough Swimming Pool. This modern leisure centre, now due to open towards the end of 2021/ beginning of 2022, should also help to encourage local people to be more active and ensure health & wellbeing is an important consideration of their weekly routine.

The initial impact of the COVID-19 pandemic towards the end of the 2019/20 financial year had a significant negative impact on KAL as it did on so many other aspects of life across the UK and wider world. The closure of all of KAL's facilities and the Charity's Head Office at the end of March 2020 as the UK entered a national lockdown was a very sad and concerning moment in the Charity's history, with the massive impact of COVID-19 the main challenge by far for the Charity to now look to address in the future.

The Charity's annual report for 2020/21 is likely to be hugely dominated by the impact of COVID-19 upon the organisation and the measures being taken to try to re-start the Charity and ensure it has a viable future.

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 January 2020, the major corporate risks facing KAL were identified as follows:

Ref.	Risk	Comment
1.	KAL's Medium Term Financial Plan	Relating to the medium term financial viability of the Charity.
2.	Economic climate	Acknowledging the ongoing difficult local financial position facing many local organisations and individuals, with increasing poverty levels and inequalities.
3.	Competitors opening up in the local area and Market Management in mitigation	
4.	National Living Wage (NLW) & National Minimum Wage (NMW)	The financial impact upon the charity of the ongoing, significant NLW/ NMW increases.
5.	Spen Valley Leisure Centre (SVLC)	Progressing the development of this capital project.
6.	Low staff morale	
7.	BRP (Business Re-engineering Project)	The Charity's internal efficiency programme and making sure it achieved its' objectives.
8.	Huddersfield Leisure Centre	As the flagship site provided by the Charity, the need to make sure it provided safe leisure opportunities for local people and was financially efficient.
9.	School Swimming	Continuing to ensure the effective embedding of this service into the Charity.

COVID-19 was added as by far the largest risk for the Charity to attempt to mitigate against when the corporate risk register was next reviewed in May 2020.

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

A resolution to re-appoint Wheawill & Sudworth Limited as the company's auditor will be proposed at the forthcoming Annual General Meeting.

This Trustees' Report, including the Strategic Report, was approved by the Board on 4 November 2020 and signed on its behalf by:



D Stephenson
Chair of the Trustees

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2020
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.

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 2020 which comprise the Group and Parent Charitable Company Statement of Finance Activities (incorporating the Income and Expenditure account), the Group and the Parent Charitable Company Balance Sheet, the Group and the Parent Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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's and parent charitable company's affairs as at 31 March 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 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 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 where:

- 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 substantial 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 on page 30.. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 14 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 group or the parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**35 Westgate
Huddersfield
HD1 1PA**

4th November 2020

**David Butterworth
Senior Statutory Auditor
For and on behalf of Wheawill & Sudworth Limited
Chartered Accountants & Statutory Auditor**

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

Note	Unrestricted funds £	2020 Restricted Funds £	Total £	2019 Total £
Income and endowments from:				
2 Charitable activities	13,612,107	-	13,612,107	13,224,703
3 Other trading activities	334,255	-	334,255	286,493
4 Investments	10,204	-	10,204	13,823
5 Other	1,161,241	-	1,161,241	1,379,741
Total income	15,117,807	-	15,117,807	14,904,760
Expenditure on:				
6 Raising funds	308,237		308,237	243,889
6 Charitable activities	17,302,512	60,623	17,363,135	16,119,336
Total expenditure	17,610,749	60,623	17,671,372	16,363,225
Net expenditure	(2,492,942)	(60,623)	(2,553,565)	(1,458,465)
Other recognised (losses)/gains:				
23 Re-measurement (loss)/gain on defined benefit pension scheme	377,000	-	377,000	(1,291,000)
Net movement in funds before tax	(2,115,942)	(60,623)	(2,176,565)	(2,749,465)
Corporation tax charge on subsidiary	(4,556)	-	(4,556)	177
20 Net movement in funds after tax	(2,120,498)	(60,623)	(2,181,121)	(2,749,288)
Reconciliation of funds:				
20 Total funds brought forward	(9,918,317)	320,626	(9,597,691)	(6,848,403)
20 Total funds carried forward	(12,038,815)	260,003	(11,778,812)	(9,597,691)

All income and expenditure derive from continuing activities.

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

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

Note		Unrestricted Funds £	2020 Restricted Funds £	Total £	2019 Total £
	Income and endowments from:				
2	Charitable activities	13,612,107	-	13,612,107	13,224,703
3	Other trading activities	71,584	-	71,584	103,023
4	Investments	9,838	-	9,838	13,622
5	Other	1,161,241	-	1,161,241	1,379,741
	Total income	14,854,770	-	14,854,770	14,721,089
	Expenditure on:				
6	Charitable activities	17,360,122	60,623	17,420,745	16,178,622
	Total expenditure	17,360,122	60,623	17,420,745	16,178,622
	Net expenditure	(2,505,352)	(60,623)	(2,565,975)	(1,457,533)
	Other recognised (losses)/gains:				
23	Re-measurement (loss)/gain on defined benefit pension scheme	377,000	-	377,000	(1,291,000)
20	Net movement in funds	(2,128,352)	(60,623)	(2,188,975)	(2,748,533)
	Reconciliation of funds:				
20	Total funds brought forward	(9,925,438)	320,626	(9,604,812)	(6,856,279)
20	Total funds carried forward	<u>(12,053,790)</u>	<u>260,003</u>	<u>(11,793,787)</u>	<u>(9,604,812)</u>

All income and expenditure derive from continuing activities.

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

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

Notes	2020 £	2019 £
Fixed assets		
13 Tangible assets	1,552,088	1,392,176
	<u>1,552,088</u>	<u>1,392,176</u>
Current assets		
15 Stocks	31,899	34,361
16 Debtors	206,594	829,395
Cash at bank and in hand	1,646,081	2,193,855
	<u>1,884,573</u>	<u>3,057,611</u>
17 Creditors: amounts falling due within one year	(2,363,498)	(3,007,058)
Net current (liabilities) assets	<u>(478,925)</u>	<u>50,553</u>
Total assets less current liabilities	1,073,163	1,442,729
Creditors: amounts falling due after more than one year	-	-
19 Provision for liabilities	(4,975)	(419)
Net assets excluding pension liability	<u>1,068,188</u>	<u>1,442,310</u>
23 Defined benefit pension liability	(12,847,000)	(11,040,000)
Net (liabilities)	<u>(11,778,812)</u>	<u>(9,597,690)</u>
Charity Funds		
Unrestricted funds excluding pension deficit	793,211	1,114,561
Charity Trading Subsidiary	14,974	7,121
Designated funds	-	-
	<u>808,185</u>	<u>1,121,682</u>
23 Total unrestricted funds before pension deficit	808,185	1,121,682
Pension deficit	<u>(12,847,000)</u>	<u>(11,040,000)</u>
20 Total unrestricted funds	(12,038,815)	(9,918,318)
20 Restricted funds	<u>260,003</u>	<u>320,626</u>
Total charity deficit	<u>(11,778,812)</u>	<u>(9,597,692)</u>

The financial statements were approved and authorised by the Board on 4 November 2020. The notes on pages 25 to 42 form part of these financial statements.

Signed on behalf of the board of trustees



D Stephenson - Chair of the Trustees

CHARITY BALANCE SHEET AS AT 31 MARCH 2020

Notes	2020 £	2019 £
Fixed assets		
13 Tangible assets	1,520,826	1,383,774
14 Investments	2	2
	<u>1,520,828</u>	<u>1,383,776</u>
Current assets		
15 Stocks	27,320	29,071
16 Debtors	271,070	948,964
Cash at bank and in hand	1,607,346	2,074,509
	<u>1,905,736</u>	<u>3,052,544</u>
17 Creditors: amounts falling due within one year	(2,373,350)	(3,001,132)
Net current (liabilities) assets	<u>(467,614)</u>	<u>51,412</u>
Total assets less current liabilities	1,053,214	1,435,188
Creditors: amounts falling due after more than one year	-	-
Net assets excluding pension liability	1,053,214	1,435,188
23 Defined benefit pension liability	(12,847,000)	(11,040,000)
Net (liabilities)	<u>(11,793,786)</u>	<u>(9,604,812)</u>
Charity Funds		
Unrestricted funds excluding pension deficit	793,211	1,114,562
Designated funds	-	-
Total unrestricted funds before pension deficit	793,211	1,114,562
23 Pension deficit	(12,847,000)	(11,040,000)
20 Total unrestricted funds	(12,053,789)	(9,925,438)
20 Restricted funds	260,003	320,626
Total charity deficit	<u>(11,793,786)</u>	<u>(9,604,812)</u>

The financial statements were approved and authorised by the Board on 4 November 2020. The notes on pages 25 to 42 form part of these financial statements.
Signed on behalf of the board of trustees



D Stephenson - Chair of the Trustees

CONSOLIDATED CASH FLOW STATEMENT

for the year ended

31 MARCH 2020

Note	2020 £	2019 £
22 Net cash flow from operating activities	19,244	(291,470)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(629,852)	(172,387)
Receipts from sales of tangible fixed assets	50,508	200
Interest received	10,204	13,823
Net cash flow from investing activities	(569,140)	(158,364)
Cash flow from financing activities		
Repayment of finance lease liabilities	-	(10,708)
Interest paid	-	(1,451)
Net cash flow from financing activities	-	(12,159)
Net decrease in cash and cash equivalents	(549,897)	(461,993)
Cash and cash equivalents at 1 April 2019	2,189,903	2,651,896
Cash and cash equivalents at 31 March 2020	<u>1,640,006</u>	<u>2,189,903</u>
Cash and cash equivalents consists of:		
Cash at bank and in hand	1,646,081	2,193,855
Bank overdraft	(6,075)	(3,952)
Cash and cash equivalents at 31 March 2020	<u>1,640,006</u>	<u>2,189,903</u>

KIRKLEES ACTIVE LEISURE (4331165)

31 MARCH 2020

FINANCIAL STATEMENTS

CHARITY CASH FLOW STATEMENT

for the year ended

31 MARCH 2020

Note	2020 £	2019 £
22 Net cash flow from operating activities	72,789	(362,586)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(600,298)	(172,387)
Receipts from sales of tangible fixed assets	50,508	200
Interest received	9,838	13,622
Net cash flow from investing activities	(539,952)	(158,565)
Cash flow from financing activities		
Repayment of finance lease liabilities	-	(10,708)
Interest paid	-	(1,451)
Net cash flow from financing activities	-	(12,159)
Net decrease in cash and cash equivalents	(467,163)	(533,310)
Cash and cash equivalents at 1 April 2019	2,074,508	2,607,819
Cash and cash equivalents at 31 March 2020	1,607,345	2,074,509
Cash and cash equivalents consists of:		
Cash at bank and in hand	1,607,345	2,074,509
Bank overdraft	-	-
Cash and cash equivalents at 31 March 2020	1,607,345	2,074,509

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.

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 2021 and the indicative funding for the following two years to 31 March 2023. In addition, the Council has agreed to underwrite losses directly linked to the effects of Covid-19 for the year to 31 March 2021 up to a cap of £4m. 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

	2020	2019
	£	£
Sale of goods and services	13,612,107	13,219,703
Performance related grants	-	5,000
	<u>13,612,107</u>	<u>13,224,703</u>

Income from charitable activities was £13,612,107 (2019: £13,224,703) of which £nil (2019: £5,000) was attributable to restricted and £13,612,107 (2018: £13,219,703) was attributable to unrestricted funds.

3 Income from other trading activities**Group**

	2020	2019
	£	£
Trading subsidiary turnover	334,621	286,493

Income from other trading activities was £334,621 (2019: £286,493) which was all attributable to unrestricted funds.

Charity

	2020	2019
	£	£
Management charge received from subsidiary	57,610	59,286
Deed of gift from subsidiary	13,974	43,737
	71,584	103,023

4 Income from investments

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Interest	10,204	9,838	13,823	13,622

Group income from investments was £10,204 (2019: £13,823) which was all attributable to unrestricted funds.

5 Other income – Group and Charity

	2020	2019
	£	£
Funding provided by Kirklees Metropolitan Council	1,161,241	1,379,741

Other income was £1,161,241 (2019: £1,379,741) of which £1,161,241 (2019: £1,379,741) was attributable to unrestricted funds.

6 Analysis of expenditure

Group

	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Raising funds					
Trading subsidiary expenses	107,602	136,330	6,695	57,610	308,237
Charitable activities					
Staff costs	6,135,409			4,926,684	11,062,093
Transport costs		8,548		416,410	424,958
Premises costs		2,506,691		81,992	2,588,683
Supplies & services	268,000	1,558,953	463,246	740,397	3,030,596
Kirklees Metropolitan Council service level agreements		4,495		252,310	256,805
	6,403,409	4,078,687	463,246	6,417,793	17,363,135
Total resources expended	6,511,011	4,215,017	469,941	6,475,403	17,671,372

Expenditure on raising funds was £308,237 (2019: £243,889) all of which was attributable to unrestricted funds. Expenditure on charitable activities was £17,363,135. (2019: £16,119,336) of which £60,623 (2019: £111,667) was attributable to restricted and £17,302,512 (2019: £16,007,669) was attributable to unrestricted funds.

	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Charity					
Charitable activities					
Staff costs	6,135,409	-	-	4,970,064	11,105,473
Transport costs	-	8,548	-	416,410	424,958
Premises costs	-	2,506,691	-	96,222	2,602,913
Supplies & services	268,000	1,558,953	463,246	740,397	3,030,596
Kirklees Metropolitan Council service level agreements	-	4,495	-	252,310	256,805
	6,403,409	4,078,687	463,246	6,475,403	17,420,745
Total resources expended	6,403,409	4,078,687	463,246	6,475,403	17,420,745

Expenditure on charitable activities was £17,420,745 (2019: £16,178,622) of which £60,623 (2019: £111,667) was attributable to restricted funds and £17,420,745 (2019: £16,066,955) was attributable to unrestricted funds.

7 Allocation of support costs

Group	Raising funds £	Charitable Activities £	Total £
Staff costs	43,380	4,926,684	4,970,064
Transport costs	-	416,410	416,410
Premises costs	14,230	81,992	96,222
Supplies and services	-	740,397	740,397
Kirklees Metropolitan Council service level agreements	-	252,310	252,310
Total	57,610	6,417,793	6,475,403

Charity	Charitable Activities £	Total £
Staff costs	4,970,064	4,970,064
Transport costs	416,410	416,410
Premises costs	96,222	96,222
Supplies and services	740,397	740,397
Kirklees Metropolitan Council service level agreements	252,310	252,310
Total	6,475,403	6,475,403

8 Audit fees – Group and Charity

	2020 £	2019 £
Auditor's remuneration – statutory audit	11,290	11,925

The above costs are attributable to unrestricted funds.

9 Net (expenditure) for the year

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

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Depreciation of tangible fixed assets	469,941	463,246	409,826	407,534
Gain on sale of tangible fixed assets	(50,508)	(50,508)	(200)	(200)
Operating lease rentals	232,124	232,124	229,163	229,163
	<u>441,557</u>	<u>444,862</u>	<u>438,789</u>	<u>436,497</u>

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 £140,050 (2019: 190,813). The trust considers its key management personnel comprise the Chief Executive and the Head of Customer Delivery. The remuneration of senior staff is reviewed annually by the Kirklees Active Leisure Remuneration Committee.

The reimbursement of trustees' expenses was as follows:

	2020 Number	2019 Number	2020 £	2019 £
Travel	1	0	237	0
	<u>1</u>	<u>0</u>	<u>237</u>	<u>0</u>

11 Staff costs and employee benefits

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

	2020 Number	2020 FTE	2019 Number	2019 FTE
Raising funds	18	7.5	10	5
Charitable activities	730	307	716	303
	<u>748</u>	<u>314.5</u>	<u>726</u>	<u>308</u>

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

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Wages and salaries	7,396,357	7,300,979	7,244,269	7,181,447
Social security	454,846	451,122	445,073	442,972
Defined benefit pension operating costs	2,494,736	2,486,455	1,375,424	1,371,527
Other payroll costs	167,314	167,095	199,375	199,375
Self-employed instructors	699,822	699,822	754,833	754,833
	<u>11,213,075</u>	<u>11,105,473</u>	<u>10,018,974</u>	<u>9,950,154</u>

11 Staff costs and employee benefits (continued)

The total amount of employee redundancy or termination payments relating to the reporting period is £75,484 (2019: £72,851). 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:

	2020 Number	2019 Number
£70,001 - £80,000	1	1
£60,001 - £70,000	1	0
	<u>1</u>	<u>1</u>

12 Interest payable and similar charges – Group and Charity

	2020 £	2019 £
Finance charges payable under hire purchase agreements	-	1,452
Interest on defined benefit pension liability	268,000	219,000
	<u>268,000</u>	<u>220,452</u>

13 Tangible fixed assets

Group	Plant and equipment £	Fixtures and Fittings £	Total £
Cost:			
At 1 April 2019	3,183,249	1,325,693	4,508,942
Additions	530,669	99,183	629,852
Disposals	-	-	-
	<u>3,713,918</u>	<u>1,424,876</u>	<u>5,138,794</u>
At 31 March 2020			
Depreciation:			
At 1 April 2019	2,455,630	661,136	3,116,766
Charge for the year	321,127	148,233	469,360
On disposals	-	-	-
	<u>2,776,758</u>	<u>809,369</u>	<u>3,586,126</u>
At 31 March 2020			
Net Book value:			
At 31 March 2020	937,160	615,508	1,552,668
At 31 March 2019	835,972	793,642	1,629,614

13 Tangible fixed assets (continued)

Charity	Plant and equipment £	Fixtures and fittings £	Total £
Cost:			
At 1 April 2019	3,180,999	1,264,451	4,445,450
Additions	520,230	80,068	600,298
Disposals	-	-	-
At 31 March 2020	<u>3,701,229</u>	<u>1,344,519</u>	<u>5,045,748</u>
Depreciation:			
At 1 April 2019	2,453,380	608,296	3,061,676
Charge for the year	321,127	142,118	463,246
On disposals	-	-	-
At 31 March 2020	<u>2,774,507</u>	<u>750,414</u>	<u>3,524,923</u>
Net Book value:			
At 31 March 2020	<u>926,722</u>	<u>594,105</u>	<u>1,520,825</u>
At 31 March 2019	<u>727,619</u>	<u>656,155</u>	<u>1,383,774</u>

14 Fixed asset investments

Charity	Equity in subsidiary undertaking £	Total £
Cost:		
At 1 April 2019 and 31 March 2020	<u>2</u>	<u>2</u>
Carrying amount:		
At 31 March 2020	<u>2</u>	<u>2</u>
At 1 April 2019	<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:

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	2020	2019
	£	£
Turnover	334,621	286,493
Cost of sales	(116,611)	(94,184)
Gross profit	218,010	192,309
Administration expenses	(134,382)	(90,419)
Management charge paid to Kirklees Active Leisure	(57,610)	(59,286)
Interest receivable & similar income	366	201
Net profit	26,384	42,805
Deed of gift to Kirklees Active Leisure	(13,974)	(43,737)
Tax on profit on ordinary activities	(4,556)	177
	7,854	(755)

The assets and liabilities of the subsidiary were:

Assets	124,560	212,657
Liabilities	(109,583)	(205,534)
Total net assets	14,977	7,123
Aggregate share capital and reserves	14,977	7,123

15 Stocks – Group and Charity

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Consumables	8,205	7,577	7,195	6,566
Goods for resale	24,404	19,743	27,166	22,505
	32,609	27,320	34,361	29,071

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

16 Debtors

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Trade debtors	71,104	62,225	114,934	101,524
Amounts owed by subsidiary	-	81,573	-	137,463
Other debtors	7,542	-	4,224	-
Prepayments	115,161	114,486	590,468	590,208
Accrued income	12,787	12,787	119,769	119,769
	206,594	271,071	829,395	948,964

17 Creditors: amounts falling due within one year

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Bank loans and overdrafts	6,075	-	3,952	-
Trade creditors	151,021	147,961	856,660	838,338
Amounts owed to subsidiary	-	32,887	-	61,725
Other tax and social security	69,736	63,686	151,958	136,098
Other creditors	440,946	433,096	283,157	263,607
Hire purchase instalments	-	-	-	-
Accruals and deferred income	1,695,720	1,695,720	1,711,331	1,701,364
	<u>2,363,498</u>	<u>2,373,350</u>	<u>3,007,058</u>	<u>3,001,132</u>

The hire purchase creditors are secured on the assets concerned.

18 Leases – Group and Charity**Operating leases – lessee**

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

Leases expiring:	2020 £	2019 £
Later than one and not later than five years	319,468	425,386
Later than five years	-	-
	<u>319,468</u>	<u>425,386</u>

19 Deferred taxation

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
The movement in the deferred tax provision during the year was:				
Provision brought forward	419	-	596	-
Profit and loss account movement during the year	4,556	-	(177)	-
Provision carried forward	<u>4,975</u>	<u>-</u>	<u>419</u>	<u>-</u>

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

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Fixed asset timing differences	<u>4,975</u>	<u>-</u>	<u>419</u>	<u>-</u>

20 Fund reconciliation**Unrestricted funds - Group**

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31 March 2020 £
Unrestricted	(9,918,317)	15,117,807	(17,615,305)	377,000	(12,038,815)
Designated funds	-	-	-	-	-
	<u>(9,918,317)</u>	<u>15,117,807</u>	<u>(17,615,305)</u>	<u>377,000</u>	<u>(12,038,815)</u>

Unrestricted funds - Charity

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31 March 2020 £
Unrestricted	(9,925,438)	14,845,770	(17,360,122)	(377,000)	(12,053,790)
Designated funds	-	-	-	-	-
	<u>(9,925,438)</u>	<u>14,845,770</u>	<u>(17,360,122)</u>	<u>(377,000)</u>	<u>(12,053,790)</u>

Restricted funds – Group and Charity

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31 March 2020 £
Restricted	320,626	-	(60,623)	-	260,003

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.

21 Analysis of net assets between funds

	Unrestricted		Restricted		Total	
	Group	Charity	Group	Charity	Group	Charity
	£	£	£	£	£	£
Fixed assets	1,552,088	1,520,826	-	-	1,552,088	1,520,826
Investments	-	2	-	-	-	2
Net current assets	(743,903)	(727,617)	260,003	260,003	(483,900)	(467,614)
Creditors: more than one year	-	-	-	-	-	-
Pension liability	(12,847,000)	(12,847,000)	-	-	(12,847,000)	(12,847,000)
Total	(12,038,815)	(12,053,789)	260,003	260,003	(11,778,812)	(11,793,786)

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

Group	2020 £	2019 £
Net (expenditure) for the year	(2,553,565)	(1,458,465)
Interest (receivable)/payable	(10,204)	(12,371)
Depreciation of tangible fixed assets	469,941	409,825
Profit on disposal of fixed assets	(50,508)	(200)
Corporation tax paid	-	-
Pension funding	2,184,000	1,040,000
(Increase)/decrease in stock	2,462	18,531
(Increase)/decrease in debtors	622,802	(263,253)
Increase/(decrease) in creditors	(645,684)	(25,537)
Net cash flow from operating activities	19,244	(291,470)
Charity		
Net (expenditure) for the year	(2,565,975)	(1,457,533)
Interest (receivable)/payable	(9,838)	(12,171)
Depreciation of tangible fixed assets	463,246	407,534
Profit on disposal of fixed assets	(50,508)	(200)
Pension funding	2,184,000	1,040,000
(Increase) in stock	1,751	23,820
(Increase)/decrease in debtors	677,895	(297,789)
Increase/(decrease) in creditors	(627,782)	(66,247)
Net cash flow from operating activities	72,789	(362,586)

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:

	2020 £	2019 £
Contributions	615,000	586,000
Current service cost	(2,019,000)	(1,368,000)
Past service cost	(512,000)	(39,000)
Net interest expense	(268,000)	(219,000)
	<u> </u>	<u> </u>
Recognised in net expenditure	(2,184,000)	(1,040,000)
	<u> </u>	<u> </u>
Recognised in other gains/(losses)	377,000	(1,291,000)
	<u> </u>	<u> </u>
Total credit/(cost) recognised	<u><u>(1,807,000)</u></u>	<u><u>(2,331,000)</u></u>

Amounts recognised in the balance sheet were as follows:

	2020 £	2019 £
Present value of funded obligations	(34,541,000)	(34,854,000)
Fair value of plan assets	21,694,000	23,814,000
	<u> </u>	<u> </u>
	<u><u>(12,847,000)</u></u>	<u><u>(11,040,000)</u></u>

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

	2020 £
Opening defined benefit obligation	34,854,000
Current service cost	2,019,000
Past service cost	512,000
Interest expense	869,000
Actuarial (gains)/loss	(3,494,000)
Contributions by scheme participants	357,000
Benefits paid	(576,000)
	<u> </u>
Closing defined benefit obligation	<u><u>34,541,000</u></u>

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:

	2020 £
Opening plan assets	23,814,000
Interest income	601,000
Re-measurement gains on assets	(3,117,000)
Contributions by charity	615,000
Contributions by scheme participants	357,000
Benefits paid	(576,000)
Closing plan assets	<u>21,694,000</u>

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

	2020	2019
Equities	77.5%	74.0%
Government funds	9.6%	11.2%
Corporate funds	5.1%	4.0%
Property	4.5%	4.7%
Cash	1.9%	2.3%
Other assets	1.4%	3.8%
	<u>100%</u>	<u>100%</u>

The return on plan assets was as follows:

	2020 £	2019 £
Interest income	601,000	586,000
Gain/(loss) on plan assets (excluding interest income)	(3,117,000)	481,000
Total return on plan assets	<u>(2,516,000)</u>	<u>1,067,000</u>

The principal actuarial assumptions used were as follows:

	2020	2019
Discount rate	2.3%	2.5%
Expected rates of salary increases	3.05%	3.35%
Expected rates of pension increases	1.8%	2.1%
Expected rate of inflation – RPI	1.8%	3.2%
Expected rate of inflation – CPI	1.8%	2.1%

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:

	2020	2019
Retiring at the balance sheet date		
- Males	21.8	22.2
- Females	24.6	25.4
Retiring in 20 years		
- Males	22.5	23.2
- Females	25.7	27.2

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		
At 31 March 2020	12,069	-
At 31 March 2019	68,545	8

These transactions have been undertaken on normal commercial terms.

Having reviewed the annual registrar of interests this is the only reportable interest with a financial consequence.

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.

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NOTES TO THE FINANCIAL STATEMENTS

DETAILED CHARITABLE EXPENDITURE (including Governance Expenditure)

	2020		2019	
	£	£	£	£
Staff costs				
Salaries	5,152,903		5,122,615	
Wages	2,669,074		2,773,313	
Teachers	508,476		279,019	
Self-employed instructors	699,822		754,833	
Indirect employee costs	159,178		199,374	
Current year pension charge	1,916,000		821,000	
	<u> </u>		<u> </u>	
		11,105,453		9,950,154
 Transport costs		424,958		35,441
 Premises costs				
Repairs and maintenance	582,452		675,900	
Electricity	482,357		428,731	
Gas	467,864		391,539	
Water	178,762		202,645	
Energy savings works	125,940		160,443	
Other utility costs	16,543		21,274	
Rent	238,524		218,789	
Insurance	118,597		122,181	
Water treatment	87,680		91,980	
Non-recreational equipment	59,108		93,819	
Rates	58,474		56,303	
Other	186,612		178,281	
	<u> </u>		<u> </u>	
		2,602,913		2,641,885
 Supplies and services				
Equipment	164,949		150,121	
Marketing	203,841		273,054	
IT	281,629		258,957	
Communications	29,525		59,330	
Resale items	91,189		124,313	
Depreciation	463,246		407,534	
Kirklees Metropolitan Council finance charges	483,142		566,037	
Professional	240,696		272,752	
Licences	156,881		158,089	
Postage, printing and stationery	33,568		36,494	
Financial	294,679		307,693	
Irrecoverable VAT	524,460		665,164	
Other	62,792		17,340	
	<u> </u>		<u> </u>	
		3,030,597		3,296,878
 Kirklees Metropolitan Council service level agreements		256,805		254,264
		<u> </u>		<u> </u>
Total expenditure		<u>17,420,726</u>		<u>16,178,622</u>