KIRKLEES ACTIVE LEISURE

England & Wales · Charity number 1091226

Details

Status	Registered
Legal form	Charitable company
Company number	04331165
Registered	2002-03-20
Register	View on the Charity Commission register

Contact

Address	Huddersfield Leisure Centre Spring Grove Street Huddersfield HD1 4BP
Phone	01484766131
Email	contact.centre@kal.org.uk
Website	www.kal.org.uk

Activities

Objects: 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 FAILITIES AND SERVICES

Activities: The provision of sports and leisure facilities for the communities of Kirklees and surrounding neighbourhoods. This comprises swimming (including provision of an extensive lessons programme), fitness suites, keep fit classes, a wide range of sports hall activities, indoor/outdoor tennis, outdoor activities (including football, hockey, etc.), indoor climbing, indoor bowls and track & field events.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives, Amateur Sport, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

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Geography

- **Area of benefit:** KIRKLEES. WEST YORKSHIRE
- Kirklees

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£14,491,715	£14,209,243	£1,552,404	545
2024-03-31	£17,513,368	£17,234,002	£4,699,163	626
2023-03-31	£17,297,446	£20,215,858	£1,510,739	681
2022-03-31	£14,263,357	£16,947,577	£-14,728,146	635
2021-03-31	£11,221,696	£12,727,707	£-20,909,388	664

Trustees

Name	Role	Appointed
DAWN STEPHENSON	Chair	2009-01-14
Balbir Singh UPPAL		2022-09-21
CLLR MARK STEPHEN THOMPSON		2018-07-25
COUNCILLOR MOHAN SINGH SOKHAL		2014-07-16
Fiona Thornhill		2024-09-18
JOHN STEPHEN FLETCHER		2015-09-09
MELANIE TINA HUDSON		2009-01-14
Paul Kemp		2020-11-04
Satnam Singh KHELA		2023-09-20
Sue Alderson		2020-11-04

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KIRKLEES ACTIVE LEISURE

England & Wales - Charity number 1091226

Accounts

KIRKLEES ACTIVE LEISURE

FINANCIAL STATEMENTS

31 MARCH 2025

Company registration number: 4331165
Registered charity number: 1091226

KIRKLEES ACTIVE LEISURE
FINANCIAL STATEMENTS
31 MARCH 2025

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Company registration number: **4331165**
Registered charity number: **1091226**

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2025
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 2025. 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
Huddersfield Leisure Centre
Spring Grove Street
Huddersfield, HD1 4BP

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

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

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

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

CHAIRPERSON
D. Stephenson

CHIEF EXECUTIVE
A.I. Brown

TRUSTEES
S. Alderson
J.S. Fletcher
M.T. Hudson
P. Kemp
S. Khela
J.H. Lees – *appointed 18th September 2024 / Resigned 1st May 2025*
Cllr. M.S. Thompson
F. Thornhill – *appointed 18th September 2024*
Cllr. M.S. Sokhal
B.C. Stahelin – *resigned* 14th May 2025
B. Uppal

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 the only benefit they receive from the Charity is access to the KAL staff membership scheme, in line with all other volunteers working with KAL, allowing low cost access to the leisure facilities managed by the Trust, which is felt to be appropriate given the form of organisation and the need for Trustees to be aware of the services provided.

In line with KAL's conflict of interest's policy, Memorandum and Articles of Association and following discussion at the July 2022 KAL Board meeting, it was agreed that one of the Trustees should be allowed to receive financial reimbursement for facilitation services provided to KAL's senior staff group. This arrangement has continued into 2024/25 and is noted at each KAL Board meeting.

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. The Trustee Induction process includes:

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

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

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

Trustees receive specific training on an ongoing basis to enable them to take part in activities such as policy development, strategic planning and health & safety. Several Trustees have completed the IOSH

(Chartered Institute of Occupational Safety & Health) Managing Safely for Senior Executives course over recent years.

At the annual Trustees half away day, in November 2024, the Trustees took part in workshops to help develop KAL's new corporate strategy. The away day also featured senior staff from Kirklees Council meeting with the Board and outlining the Council's priorities and where KAL could support the delivery of these.

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. A further governance review was undertaken, commencing in April 2023, with an improvement plan considered and agreed by the Board at their May 2023 meeting. This included a revised Code of Conduct for the KAL Trustees which was considered and agreed by the Board at their July 2023 meeting, as well as the workshops noted above undertaken at the KAL Trustees half away day. A Trustees skills audit was also undertaken with the results fed back to the Board at the half away day in 2023.

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. The template used to guide the 1-2-1 discussions was updated as part of the 2023 governance review to ensure how to improve Board performance was discussed.

Organisation

The Board of Trustees, which has up to 12 members, administers the Charity. The Board normally 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

Diversity

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

- A commitment made by the Board to continue to ensure that, wherever possible, the Board is representative of the views of the Kirklees community
- Future Board recruitment will specifically encourage applicants from under-represented groups, with additional support to applicants provided as necessary

- Diversity training is provided to the Board
- A statement summarising the Board's work to foster all aspects of diversity is published on the Charity's website.

Following the 2023 governance review undertaken it was further agreed to report upon the following aspects:

- That summary demographic information relating to KAL's workforce and customer base are considered at each KAL Board meeting.
- That a commitment is included from the KAL Board on the main KAL website to work towards becoming demographically representative. As of March 2025, the KAL Board included 12 Trustees, five of which were female and three of which were Sikhs.

KAL remains committed towards continuing to positively progress our approach towards being an inclusive employer, encouraging a workforce and Board of Trustees that reflect the demographic of the local community.

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

KAL introduced a new and improved 121 system for staff in Autumn 2022, which was then reviewed with a revised version introduced from September 2023. This is considered a key staff communication tool, to try to consider and support the overall health & wellbeing of staff, their career development and so forth. Monitoring to ensure 121's are undertaken on a regular basis and the quality / consistency of the 121 approach are also considered by the Charity's HR team.

Regular team meetings take place, both at each KAL site and across the Head Office teams. The annual staff survey was again undertaken in Spring 2024, providing useful feedback to be considered and used to improve engagement with staff where possible. The staff survey included an overall staff satisfaction rating of 7.10, slightly lower, disappointingly, than the rating in 2023 (7.32), but still with 79% of staff recommending KAL as a good place to work, which remains positive. Further staff roadshows were undertaken in June and November 2024, which were attended by a range of staff from across the organisation, providing the opportunity for staff to receive updates regarding the Charity and to take part in workshop sessions.

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

2024/25 overall saw the organisation continue to stabilise, before moving forward, after the challenges of the previous year, when a range of factors, including a major in-year reduction in financial support from Kirklees Council, resulted in the closure of several sites managed by the Charity and the sad loss of c.100 staff roles.

The end of year outturn position reported in these accounts is a very positive one given the transition that the Charity has been through. This has been due to the hard work and dedication of the Trustees and the staff of the Charity.

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 19.9% 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 the year ending March 2025, KALT made a pre-tax profit of £62k (2024: £38k pre-tax and gift aid profit) and made a gift aid payment back to the parent Charity of £62k (2024: £34k) resulting in a £107 loss after the gift aid and tax on profit (2024: £2,844 profit).

Objects and Activities

The Objects of the Charity are:

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

The Objects of the Charity contribute to a range of charitable purposes, as outlined within the Charities Act 2006, as follows.

Charitable purpose -	Example of activity -
The advancement of education	- The Charity delivered the local school swimming service to 125 local schools (c.5000 pupils) during 2024/25. The new, more intensive programme introduced in 2021/22, with longer swim lesson sessions over fewer weeks, has proved to be successful, with positive outcomes continuing to be achieved across the key school swimming KPI's. The service was fully reviewed during 2024, with the offer significantly enhanced and the cost to schools reduced to provide an excellent value for money offer, which continues to develop. The school swimming service has had to adjust significantly due to the closure of local swimming pools, both permanent and temporary, with this continuing into 2024/25 and the closure of the Scissett Baths & Fitness Centre wetside for a major refurbishment programme in December 2024. The site is now due to re-open by September 2025. - KAL's own learn to swim swimming lesson programme has stabilised and grown since 2023/24, with 6126 young people benefitting from weekly swimming lessons in March 2025 (compared to 6,023 in March 2024). This number will hopefully

Charitable purpose -	Example of activity -
	increase further as the Scissett Baths sites re-opens in September 2025. - KAL continued to provide a tennis coaching programme, offering tennis development opportunities for young people, with a partnership with the 3rd party organisation We Do Tennis beginning to be developed to further enhance the offer for local people and due to commence in early 2025/26. - All activities were again available to all groups of the local community, with pricing discounts provided via KAL's Flexi-card scheme and the local Kirklees Passport scheme. - KAL staff continued to undertake workforce development opportunities in a wide range of aspects, including health & safety, safeguarding, KAL's corporate induction, revised site inductions, equality, diversity & inclusion, conflict management, data protection, sexual harassment, etc., as well as further ongoing training for frontline staff and higher-level training provided for managers via the National Pool Managers and National Pool Supervisors Qualifications. Higher level apprenticeship programmes also continue to be completed by some staff.
The advancement of health	- KAL positively continued to progress our strategic direction as a preventative health & wellbeing provider, to encourage the inactive to be active and appeal to a wider customer base. - Several core products continued to be delivered, including KAL's exercise referral schemes and a recommendation scheme, "First Steps To Fitness", which targeted those who had been inactive for at least the previous 12 months and provided them with a more supportive induction process to make use of the KAL sites and to hopefully embed the healthy habit of being more physically active. - Targeted demographic approaches are in place for pre/post-natal women – "Moving Mums" - and older people, where the range of KAL products suitable for these population groups are packaged together and promoted through a range of local agencies. - Outcome data from the above products is being collected, with ongoing feedback positive regarding the impact upon the health & wellbeing of the individuals involved. - KAL was also successful to be appointed as a delivery partner for a new, 5 year, "Active Together" pre/post-cancer programme, with Mid Yorkshire Hospital Trust and Wakefield Council and funded by Yorkshire Cancer Research. - KAL continues to develop partnerships with both the University of Huddersfield and with Locala, the local health service provider, as well as working with other leisure operators across West Yorkshire and through the Community Leisure UK (CLUK) network.
The advancement of citizenship and community development	- Free fitness membership for Care Leavers and targeted other individuals continues to be provided. - As above, lower cost access is available to the KAL sites for both

Charitable purpose -	Example of activity -
	KAL Flexi-card holders and for those eligible for the Kirklees Passport scheme (i.e. the financially disadvantaged).
The advancement of amateur sport	- The Charity continues to work closely with several significant local sports clubs that make use of the facilities managed by the Charity. This includes athletics clubs; a range of swimming clubs; a tennis club; a golf club; and a major local community football club (Howden Clough AFC). - KAL is a partner on the local strategic partnership for sport and wider physical activity- "Everybody Active" and the Kirklees Active Schools sub-group. - KAL also hosts local multi-sports VCS organisations, assisting them where possible. - Reductions continue to be provided for 3rd parties that hold appropriate quality marks to try to encourage these to be retained.
The advancement of environmental protection or improvement	- Reducing CO2 emissions and being as efficient as possible with energy consumption continues to be a key component of KAL's approach, with considerable investment continuing to be made to ensure energy use and emissions remain low for the type of organisation and facilities operated. - Energy pressures in particular for KAL's swimming pool facilities continues to be a major challenge for the Charity which has added considerable strain to the Charity's financial position.
The relief of those in need, by reason of youth, age, ill health, disability, financial hardship or other disadvantage	- Discounted pricing, accessible facilities and the breadth of activity opportunity on offer ensure that KAL is accessible to various customer groups across the Kirklees community. - Examples include the free fitness membership offer highlighted above for Care Leavers, etc, while the Charity also support worthy local groups. 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, and of the local Forget Me Not Children's Hospice and Kirkwood Hospice are further examples of where KAL support those in need. - Successful older people's activity groups are in place at several of the KAL managed sites (Batley Sports & Tennis Centre, Colne Valley Leisure Centre and Huddersfield Leisure Centre). - A disability sports club meets weekly at Huddersfield Leisure Centre, while KAL's support of the Kirklees Passport scheme allows heavily reduced cost access to the leisure centres, with the ability for a plus 1 to support where required.

Our strategy for meeting our Charitable Purposes
During 2024–25, KAL continued to operate under its Corporate Strategy 2020–2025, which set out our vision, priorities, and actions for delivering our charitable objectives over the five-year period.

In March 2025, the Trustees approved a new Corporate Strategy 2025–2030, which will take effect from April 2025. This updated plan builds on the achievements of the 2020–2025 strategy and responds to changes in our operating environment, including shifts in community needs, economic pressures, and

the leisure sector landscape.

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

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

KAL identifies two headline challenges within its' corporate strategy -

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

Unfortunately, KAL did not manage to achieve the first of these challenges, with a customer satisfaction index score of 75 for 2024/25. While disappointing, this remains a reasonable figure given the major disruption to the Charity and our customers over the last few years.

Given Covid-19 and its' impact upon KAL's finances, the considerably increased energy prices, ongoing major increases in staffing costs, high inflation and significant reductions in the funding support provided by Kirklees Council, then it has been challenging for KAL to achieve the second headline challenge and remain financially sustainable. However, following the major rationalisation of the organisation this has now been accomplished and the Charity has not only survived, but is now in a strong position to grow again and move forward.

KAL remains confident that the new operating model developed is a more viable one given the reduced level of local authority financial support, with expenditure costs significantly reduced and income levels proportionately retained and, where possible, grown.

The Strategy has 3 Aims:

1. **Putting People First (Service)**	KAL recruits and retains great staff, offering a first-class rewards package and striving to provide employees with the learning and skills they need. KAL offers excellent customer service to our customers, helping them reach their activity goals and make the most of their leisure time, within a high quality, safe environment.
2. **Helping More People become More Active (Products)**	KAL is a major contributor to improving the health and wellbeing of local communities through the promotion of healthy lifestyle choices, by providing a range of fantastic opportunities and developing specific interventions for harder to reach groups, to encourage more people to get and stay active. KAL will review and develop quality products, services and systems that collectively provide an unbeatable activity offer.
3. **Delivering Business Excellence**	As a key anchor institution, KAL supports the Kirklees

(Operations)	economy as a major employer of local people, especially under 25's, while also working with local suppliers where possible. KAL will continue to operate as efficiently as possible, offering great value for money, ensuring robust financial planning, resource, sustainability and energy management, investing in the local leisure facilities we look after.

Ensuring our work delivers our Strategic Aims
The 2021-2025 KAL Corporate Strategy and the 3 Aims above try to ensure that the Charity remains focused on delivering against its stated purpose and Objects where possible.

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

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

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

Who used and benefited from our services?
The facilities operated by the Charity received more than 2.34m million customer visits from across the entire community spectrum of Kirklees during 2023/24, as increase of 120k customer visits from 2023/24, a positive achievement and an indicator of the re-growth of the Charity following the challenges of the previous few years.

Emphasis continues to be given to "target groups" within the local community, to actively encourage them to take part in the range of health & wellbeing activities available across the KAL managed sites and to receive the associated mental and physical health benefits of such involvement. Groups particularly targeted to use the Charity's facilities include the following:

- Older people (60+)
- Young people (up to age 16)
- Women and girls
- Those with a disability
- The financially disadvantaged

There are no restrictions on who can make use of the facilities provided by the Charity.

Fees are charged for most activities that take place within the Charity's facilities, however, while fees have had to be reconsidered and increased where necessary due to the financial position of KAL, a range of specific programmes and concessionary rates continue to be made available and actively promoted to try to encourage participation and ensure that the services provided are affordable to everyone. A key

means of doing this is the acceptance of the Council's "Kirklees Passport" at all sites operated by the Charity, which entitles the holder to a significant price discount. Some targeted provision, e.g. fitness memberships for local Care Leavers, are provided completely free of charge.

The Charity's primary activities are the provision of sports and leisure facilities and opportunities for the communities in Kirklees and surrounding neighbourhoods to take part in sport and wider physical activity and, therefore improve their health & wellbeing. The main activities provided by the Charity 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. The swimming pools sites are also used by several local aquatics clubs, including swimming, triathlon and canoe clubs.
- Fitness Suites, which are accessible to all and offered at a range of pricing levels, making them affordable for the majority of the local 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 Stompers soft play and TAG X activity products at Batley Sports & Tennis Centre; and the "Immerse" pool inflatable and activity pool offering at Spen Valley Leisure Centre.

While the Charity has very limited outreach capacity, it works closely with other local partners, such as Kirklees Council, Third Sector Leaders (Kirklees) (the umbrella organisation for the local VCSE sector) and Kirklees Youth Alliance, the umbrella organisation for the local VCSE youth providers, to encourage new customer groups to make use of the sites looked after by the Charity.

In addition, through the separate subsidiary company, Kirklees Active Leisure Trading Limited (KALT), a catering and vending service is provided by 3rd parties commissioned by KALT. KALT also directly provides a café at one of the Charity's facilities.

The Charity is committed to equality of opportunity where possible 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.

After a challenging relationship between KAL and Kirklees Council during 2023/24, the partnership improved again during 2024/25, as the Charity returned to an improved financial position and re-adjusted after the difficulties related to the closure of several sites, the loss of a considerable number of staff and the stabilising of the KAL offer across the remaining 8 sites provided by the Charity.

KAL also continues to have several positive partnerships in place at a local, regional and national level with a range of bodies including the local VCSE infrastructure services organisation – Third Sector Leaders (Kirklees), the local VCSE organisation for local youth groups – Kirklees Youth Alliance, the University of Huddersfield, Locala (local healthcare provider) and fellow charitable leisure trusts across the Yorkshire and wider North East region. Strong relationships are also maintained with several

National Governing Bodies of sport and the variety of local sports clubs and other groups which use the KAL managed sites.

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

KAL also works to support and, where possible, fundraise, for a wide range of local and national charities throughout the course of the year, such as the local hospices, Uniform Exchange, etc.

Consultation

KAL completed a further annual customer survey in April 2024, with over 2,700 customers taking part.

Headline results were, positively, up from the previous year –

- Overall customer satisfaction was rated as 76.4 (compared to 75.1 in 2023 and 77.1 in 2022)
- Value for money was rated 78.9 (compared to 75.8 in 2023 and 78.6 in 2022)

However, there remains a need for KAL to continue to focus upon providing excellent customer service and continuing good value for the services provided to try to improve upon this position in future years.

As well as the annual customer survey, the Charity also receives ad hoc feedback via our various communication channels, as well as daily Net Promoter Score (NPS) feedback from customers, with further feedback approaches, including mystery visitors and NPS for KAL's Yeah! Days Out attractions looking to be introduced.

Benefits of participation

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

- **Health benefits:** The primary benefit of taking part in the activities provided by the Charity relates to improving the health, wellbeing and the 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:** The swimming lessons that take place within the Charity's facilities each year, teaching both children and adults a key life skill. Coaching and instruction is also provided in a variety of sports and other leisure activities. Swim Teaching and Lifeguard courses are held by the Charity on a regular basis, both for the Charity's own staff and external attendees. Lifeguard; safeguarding; equality, diversity & inclusion; manual handling; and other related training is also provided to the Charity's own staff.
- **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. However, given the previous closure of several of the Charity's facilities since December 2022, the ability of the Charity to impact on local community cohesion in certain areas of Kirklees has significantly reduced.

- **Community development:** Many 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 supports several community groups to raise the profile of their services, fundraise and improve their sustainability. Again, unfortunately the closure of several KAL sites is likely to have reduced the amount of community development that KAL is able to contribute to.

Strategic Report
Achievement, Performance and Challenges
2024/25 was a period of significant stabilisation, recovery and growth for the Charity following the considerable challenges and changes of the previous 24 months.

While the closure of several sites and certainly the loss of a significant number of colleagues was a very difficult period for KAL, the Charity has managed to readjust and focus upon the remaining sites, re-growing the organisation to focus again on providing high quality community leisure provision for the local community. The Charity is now becoming more financially viable than previously, with a strong customer base retained which is now more concentrated across the remaining sites.
The relocation of the head office for the Charity to Huddersfield Leisure Centre has been an especially positive move, bringing the corporate teams together with the largest site based staff team and helping to increase the appreciation and understanding of both groups, while also removing any head office rental costs which had previously been considerable.

2024/25 saw the Charity close with a significant surplus position following very strong performance in several areas and fitness memberships in particular, with investment continuing into the KAL sites and the Charity now in a position to enhance this further given the position in terms of financial performance and reserves. Again, this reflects the talent and commitment of KAL's Trustees, senior staff team and also of the staff across the head office and site teams.

- **Aim: Putting People First**
    - Fitness memberships: a key element of KAL's delivery and the largest income stream for the Charity, with this aspect increasing from 18,853 at the end of March 2024 to almost 20k (19,939) by the end of March 2025, with this growth helping to drive much of the success of the Charity.
    - Swim lessons: 6,126 swim lessons were taking place at the end of 2024/25, increasing from 6,023 the previous year, but below previous numbers. This was partly due to the extended refurbishment of the Scissett Baths & Fitness suite wetside facility (see below). Hopefully when the site re-opens the additional swim lesson capacity will help KAL return to the higher levels enjoyed in previous years.
    - Health & wellbeing products: while much smaller numbers were involved, these relatively new products were protected by KAL, despite their need for a financial subsidy, due to the important role they provided in supporting KAL's continuing strategic direction as a preventative health & wellbeing provider, the need to bring in a new customer base and the demand for these products that supported individuals' health & wellbeing. The use of the products actually grew during 2024/25 with now 4,892 individuals involved, which was a positive growth from the 3618 in 2023/24 and more than double the numbers at the end of 2022/23 (2173 in March 2023).
    - The Charity's golf course – Bradley Park – also had yet another very strong year, achieving the highest income figure for a 12 month period since the Charity began managing the

facility and again breaking the record of the previous year.
  - Over 2.34m customer visits took place at KAL sites during 2024/25, an increase from 2.22m the previous year.
  - Almost 52% of the staff are u25, with the Charity continuing to be one of the largest employers of young people in the local area.

- **Aim: Helping More People Become More Active**
  - £500k+ capital project underway at Scissett Baths & Fitness Suite, improving the wetside of the facility and undertaking a range of essential mechanical & electrical works which should safeguard the site for the foreseeable future.
  - Ongoing development of the Charity's fitness membership partnership with the University of Huddersfield, whereby their students and staff can receive low-cost access to the Charity's sites, helping to encourage them to take part in positive health & wellbeing activity.

- **Aim: Delivering business excellence**
  - Electricity consumption reduced by a further 11% in 2024/25 compared to 2023/24. Gas decreased slightly by 1% in 2024/25 compared to 2023/24. These increases reflect the introduction of further invest-2-save schemes across the sites and to the development of a strong energy saving culture across the staff teams, as well as the replacement of key plant items with more efficient options.

Financial Review

The table below summarises the group's financial performance:

	2024/25 £000	2023/24 £000
INCOME		
From customers	12,839	13,988
From customers of subsidiary	318	310
	13,157	14,299
Investment income	114	133
Funding by Kirklees MC	1,221	3,036
Other funding	0	46
	14,492	17,514
EXPENDITURE		
Staff costs, including self-employed instructors	9,445	10,757
Other costs incurred by KAL	4,513	5,931
Costs incurred by KALT	256	274
	14,214	16,962
EXCESS OF EXPENDITURE OVER INCOME, BEFORE THE EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME	**277**	**551**
EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME		
Current year charge	5	(272)
Re-measurement gain / (loss)	(3,429)	3,040
	(3,424)	2,768
NET MOVEMENT IN FUNDS BEFORE TAX	(3,147)	3,319
Corporation Tax charge on KALT	(0)	(1)
NET MOVEMENT IN FUNDS AFTER TAX	(3,147)	3,188
FUNDS BROUGHT FORWARD	4,699	1,511
FUNDS CARRIED FORWARD	1,552	4,699
Comprising:		
Charity reserves, excluding pension liability	1,552	1,275
Subsidiary reserves	0	0
Total Funds, excluding pension liability	1,552	1,275
Pension surplus / (deficit) – not recognised in 2025	0	3,554
Total Funds	1,552	4,829

The group's income for the year was £14,491,715 (2024: £17,513,368), of which £12,839,140 (2024: £13,988,181) was generated through charitable trading activities. The trading subsidiary contributed a further £317,505 (2024: £310,468) which was largely café customer generated income.

Total resources expended amounted to £14,214,243 (2024: £16,962,002) including costs incurred by the trading subsidiary of £256,362 (2024: £274,167).

Before the effects of Corporation Tax on the trading subsidiary, net movement in funds for the year totalled an increase of £282,472 (2024: increase of £3,189,366) and after the estimated tax charge of £231 (2024: £942), a total of £282,421 (2024: an increase of £3,188,424) has been added to the unrestricted funds.

The wholly owned subsidiary, Kirklees Active Leisure Trading Limited, recorded a net profit before taxation and before gift aid of £62,374 (2024: £37,786).

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 reviewed the Charity's reserves policy at their meeting held on 16th July 2025. Following an updated assessment of the financial and operational risks facing the Charity, the Trustees concluded that it remains prudent to hold an unrestricted general reserve to ensure the Charity can continue its activities in the event of unforeseen circumstances or disruptions.

Based on this assessment, the Trustees have determined that a target level of general reserves of £987,000 should be maintained. This level is considered appropriate to provide financial stability and support the effective and uninterrupted delivery of the Charity's services.

Although the actuarial valuation indicates a pension scheme surplus of £10.647m, this has not been recognised in the financial statements in accordance with FRS 102. As the Charity does not have an unconditional right to a refund and is not entitled to reduced future contributions, an asset ceiling of £nil has been applied (see Note 22).

The Charity reports total funds of £4,967,344 at 31 March 2025 (2024: £4,699,163). Excluding any pension scheme surplus, the general unrestricted reserve stood at £1,408,344 at the end of 2024/25 (2024: £1,130,996). Restricted funds totalled £143,840 at the year end (2024: £143,840).

As at 31 March 2025, the Charity held £421,344 in unrestricted free reserves (2024: £230,996). Free reserves are defined in line with Charity Commission guidance as unrestricted funds, excluding those which can only be realised by disposing of fixed assets held for the Charity's own use.

The Trustees remain committed to improving the level of the general reserve in order to meet the target level and to increase the funds available for the ongoing development of the Charity's facilities.

Summary of future plans
Following KAL's resurgence from the challenging period of major financial reductions from our key partner – Kirklees Council, the closure of several sites and the sad loss of a large number of staff, the Charity has now returned to a much more positive position, with an excellent remaining group of sites and a committed, capable and talented staff and Trustees group keen to continue to bring the Charity forward.

KAL's key product areas – fitness memberships, swim lessons, school swimming, Yeah! Days Out attractions and, increasing the Charity's health & wellbeing offering collectively provide local people with a range of attractive

opportunities to be more active.

The ongoing capital re-development of the Scissett Baths & Fitness Centre site should lead to a much improved and robust facility, which will hopefully attract in new customers, while KAL is also keen to invest capital back into the customer facing areas of the provision, whether changing room refresh projects, improvements to the Yeah! Days Out products or ensuring that studios and fitness suites are kept up-to-date with the latest equipment.

Some of the sites continue to present major challenges in terms of the poor quality of their build and KAL will continue to work with Kirklees Council colleagues to raise these matters, consider options and ensure that issues are addressed.

KAL continues to support Kirklees Council with 3 sites which have closed/ are operating on much reduced hours, with Deighton Sports Arena now agreed to close, but with the other 2 facilities continuing to have to be closely monitored for site safety & security issues.

The position of both the UK and its' economy overall and the financial / political position of Kirklees Council both impact significantly upon KAL. The UK economy remains challenging given the huge agenda the current government are trying to address, which includes the significantly changed international picture given the ongoing conflicts in the Ukraine and the Middle East and the unpredictability and more isolationist approach provided by the USA.

The retirement of KAL's Client Manager within the next 12 months is a major issue in itself given the level of understanding of KAL and the support provided by the Client Manager when promoting KAL's position with her Council colleagues.

It remains likely that the level of financial support currently generously provided by the Council to KAL will reduce over the coming years as KAL's own financial position hopefully continues to improve. KAL will seek to work with the Council to ensure that this reduction in financial support is a gradual one, allowing the Charity to adapt and identify future income / expenditure savings as necessary.

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 considered the appropriate policies, procedures and systems to mitigate the Charity's exposure to the identified major risks where they can.

As of the KAL Board meeting in March 2025, the major corporate risks facing KAL were identified as follows:

Ref	Risk	Comment
1	Energy management	While previously a major pressure, it was considered that this aspect was now a reduced risk due to new energy contracts and lower pricing being in place, with the proposal to merge this aspect with the overall "financial viability" risk identified below (Risk 10).
2	IT systems failure/ breach	This risk reflected a number of IT matters that had arisen prior to the Board meeting, with mitigating actions since taken to improve the position.

Ref	Risk	Comment
3	KC financial position	While this did appear to be improving there was still a need for caution given the ongoing level of overspends and the increasing major expenditure pressures across Adult Social Care and Children's Services in particular.
4	Salary pressures	Government National Living Wage (NLW) and, as of April 2025 National Insurance as well, continue to increase and place the Charity with a further financial pressure. There is also, however, a need for KAL to retain talented staff and to attract new good quality staff where necessary. KAL's improved financial position has meant this risk is easier to manage.
5	Low staff morale	This element dropped, unsurprisingly, during the period when KAL was looking to reduce the number of sites provided and lower staffing levels. Hopefully with the more stable position of the charity, this is something that will improve over the coming year.
6	School Swimming	The emergence of temporary swimming pools that could be located within school grounds was identified as a major concern for KAL, with several schools opting for this option on financial grounds. KAL's school swimming product was reviewed and value added where possible, as well as cost reductions introduced to hopefully prevent further schools leaving the programme.
7	Major capital risks	Some projects, notably the Scissett Baths & Fitness Centre capital scheme were over programme and likely to go over budget, which was frustrating for KAL and required regular engagement with the Council to try to move matters forward.
8	Business plans do not achieve objectives	Some Yeah! Days Out products under-performed in 2024/25 and need to be carefully monitored to ensure the products improve during 2025/26. The YDO parties product does appear to be strong and worth continuing to promote.
9	Dissatisfied customers	IT issues in early 2025 impacted negatively upon some customers, but with the matters improved through ongoing work from KAL's IT team and our external suppliers.
10	Financial viability of KAL	The position has now significantly improved with this aspect, as illustrated with the financial performance for 2024/25. However, there is now a need to consider and agree how best to make use of KAL's financial resources and to begin to consider the position at the end of the agreement with the Council in 2032.
11	Major incident (e.g. H&S incident, fire, terrorist attack, etc.)	Increased risk as cost pressures continue to ensure that required checks, training, etc are undertaken.
12	Competitors opening up in the local area and Market Management in mitigation	There continue to be a wide range of large and small operators that compete with KAL across the Charity's product range. However, there are a number of unique aspects which support KAL to differentiate the KAL offer as distinct from others.

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 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 are as follows:

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

Auditor

The Charity's Auditor's were considered at the 2024 AGM and Simpson Wood were reappointed to audit KAL for the 2024/25 financial year.

This Trustees' Report, including the Strategic Report, was approved by the Board on 17th September 2025 and signed on its behalf by:

D Stephenson

D Stephenson
Chair of the Trustees

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2025
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.

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 2025 which comprise the group and parent charitable company: statement of financial activities; the balance sheet; cashflow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, for the year ended; and
- have been properly prepared in accordance with United Kingdom General Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of financial statements* section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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

This year as per the statement of financial activity a surplus was incurred during the year both at a group and company level, prior to recognising the pension movement. Both the group and the company ended the year with a surplus of current assets compared to current liabilities. The trustees' assessment of going concern and their rationale for preparing the financial statements on that basis is set out at note 1(q) on page 34.

In auditing the financial statements, we have concluded the trustees' use of 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 doubt on the group and parent charitable company'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, including the trustees' 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.

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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
•the directors' report included within the trustees' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report (or the strategic report) included within the trustees' report.

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

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

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, and instances of non-compliance with laws and regulations was as follows:

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the parent charitable company, including Charities Act 2011, Charities (accounts and Reports) Regulation 2008, Charities SORP 2019, Companies Act 2006, data protection and anti-bribery legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations and.
- performed analytical procedures to identify any unusual or unexpected relationships.

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance and;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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.



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

Chartered Accountants
Statutory Auditor

Bank Chambers
Market Street
Huddersfield
HD1 2EW

Dated: 17 September 2025

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

Notes		2025 Unrestricted funds £	2025 Restricted Funds £	2025 Total £	2024 Total £
	Income and endowments from:				
2	Charitable activities	12,839,140	-	12,839,140	13,988,181
3	Other trading activities	317,505	-	317,505	310,468
4	Investments	113,910	-	113,910	132,966
5	Other	1,221,160	-	1,221,160	3,081,753
	Total income	14,491,715	-	14,491,715	17,513,368
	Expenditure on:				
6	Raising funds	256,362		256,362	274,167
6	Charitable activities	13,952,881	-	13,952,881	16,959,835
	Total expenditure	14,209,243	-	14,209,243	17,234,002
	Net income/(expenditure)	282,472	-	282,472	279,366
	Other recognised gains/(losses):				
22	Re-measurement gain/(loss) on defined benefit pension scheme	(3,429,000)	-	(3,429,000)	3,040,000
	Net movement in funds before tax	(3,146,528)	-	(3,146,528)	3,189,366
	Corporation tax charge on subsidiary	(231)	-	(231)	(942)
19	**Net movement in funds after tax**	(3,146,759)	-	(3,146,759)	3,188,424
	Reconciliation of funds:				
19	Total funds brought forward	4,555,323	143,840	4,699,163	1,510,739
19	**Total funds carried forward**	1,408,564	143,840	1,552,404	4,699,163

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)

Notes		2025 Unrestricted funds £	2025 Restricted Funds £	2025 Total £	2024 Total £
	Income and endowments from:				
2	Charitable activities	12,839,140	-	12,839,140	13,988,181
3	Other trading activities	81,996	-	81,996	52,858
4	Investments	112,679	-	112,679	131,481
5	Other	1,221,160	-	1,221,160	3,081,753
	Total income	14,254,975	-	14,254,975	17,254,273
	Expenditure on:				
6	Charitable activities	13,972,627	-	13,972,627	16,978,693
	Total expenditure	13,972,627	-	13,972,627	16,978,693
	Net income/(expenditure)	282,348	-	282,348	275,580
	Other recognised gains/(losses):				
22	Re-measurement gain/(loss) on defined benefit pension scheme	(3,429,000)	-	(3,429,000)	3,040,000
	Net movement in funds	(3,146,652)	-	(3,146,652)	3,315,580
	Reconciliation of funds:				
19	Total funds brought forward	4,554,996	143,840	4,698,836	1,513,256
19	**Total funds carried forward**	1,408,344	143,840	1,552,184	4,698,836

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 2025

Notes		2025	2024
		£	£
	Fixed assets		
13	Tangible assets	824,720	946,754
		824,720	946,754
	Current assets		
15	Debtors	374,128	263,693
	Cash at bank and in hand	3,060,040	2,869,626
		3,434,168	3,133,319
16	**Creditors:** amounts falling due within one year	(2,706,484)	(2,804,910)
	Net current assets	727,684	328,409
	Total assets less current liabilities	1,552,404	1,275,163
17	**Creditors:** amounts falling due after more than one year	-	-
18	**Provision for liabilities**		
	Net assets excluding pension liability	1,552,404	1,275,163
22	**Defined benefit pension liability**	-	3,554,000
	Net (liabilities)	1,552,404	4,699,163
	Charity Funds		
	Unrestricted funds excluding pension deficit	1,408,344	1,131,323
	Charity Trading Subsidiary	220	327
	Designated funds	-	-
	Total unrestricted funds before pension deficit	1,408,564	1,131,323
22	**Defined benefit pension surplus (not recognised)**	-	3,554,000
19	**Total unrestricted funds**	1,408,564	4,555,323
19	**Restricted funds**	143,840	143,840
	Total charity deficit	1,552,404	4,699,163

The financial statements were approved and authorised by the Board on 17th September 2025.
The notes on pages 30 to 48 form part of these financial statements.
Signed on behalf of the board of trustees

D Stephenson

D Stephenson - Chair of the Trustees

CHARITY BALANCE SHEET AS AT 31 MARCH 2025

Notes		2025	2024
		£	£
	Fixed assets		
13	Tangible assets	824,720	945,246
14	Investments	2	2
		824,722	945,248
	Current assets		
15	Debtors	445,527	320,512
	Cash at bank and in hand	2,984,546	2,833,714
		3,430,073	3,154,226
16	**Creditors:** amounts falling due within one year	(2,702,611)	(2,824,638)
	Net current assets	727,462	329,588
	Total assets less current liabilities	1,552,184	1,274,836
17	**Creditors:** amounts falling due after more than one year	-	-
	Net assets excluding pension liability	1,552,184	1,274,836
22	**Defined benefit pension liability**	-	3,554,000
	Net (liabilities)	1,552,184	4,698,836
	Charity Funds		
	Unrestricted funds excluding pension deficit	1,408,344	1,130,996
	Designated funds	-	-
	Total unrestricted funds before pension surplus	1,408,344	1,130,996
22	**Defined benefit pension surplus (not recognised)**	-	3,554,000
19	**Total unrestricted funds**	1,408,344	4,554,996
19	**Restricted funds**	143,840	143,840
	Total charity surplus	1,552,184	4,698,836

The financial statements were approved and authorised by the Board on 17th September 2025.
The notes on pages 30 to 48 form part of these financial statements.
Signed on behalf of the board of trustees

D Stephenson

D Stephenson - Chair of the Trustees

CONSOLIDATED CASH FLOW STATEMENT

for the year ended

31 MARCH 2025

Notes		2025 £	2024 £
21	**Net cash flow from operating activities**	250,376	863,984
	Cash flow from investing activities		
	Payments to acquire tangible fixed assets	(219,712)	(103,287)
	Receipts from sales of tangible fixed assets	45,840	34,121
	Interest received	113,910	132,966
	Net cash flow from investing activities	(59,962)	63,800
	Net increase/(decrease) in cash and cash equivalents	190,414	927,784
	Cash and cash equivalents at 1 April 2024	2,869,626	1,941,842
	Cash and cash equivalents at 31 March 2025	3,060,040	2,869,626
	Cash and cash equivalents consists of:		
	Cash at bank and in hand	3,060,040	2,869,626
	Cash and cash equivalents at 31 March 2025	3,060,040	2,869,626

CHARITY CASH FLOW STATEMENT

for the year ended

31 MARCH 2025

Notes		2025 £	2024 £
21	**Net cash flow from operating activities**	212,025	848,840
	Cash flow from investing activities		
	Payments to acquire tangible fixed assets	(219,712)	(103,287)
	Receipts from sales of tangible fixed assets	45,840	34,121
	Interest received	112,679	131,481
	Net cash flow from investing activities	(61,193)	62,315
	Net increase/(decrease) in cash and cash equivalents	150,832	911,155
	Cash and cash equivalents at 1 April 2024	2,833,714	1,922,559
	Cash and cash equivalents at 31 March 2025	2,984,546	2,833,714
	Cash and cash equivalents consists of:		
	Cash at bank and in hand	2,984,546	2,833,714
	Cash and cash equivalents at 31 March 2025	2,984,546	2,833,714

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) Impairment of Fixed Assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(i) Investments

Investments are measured at cost less impairment.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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 2025 and the indicative funding for the following years to 31 March 2027. The budgeted income and expenditure is sufficient with this level of funding for the charity to be able to continue as a going concern.

(r) Defined benefit pension surplus recognition
Where the defined benefit pension scheme is in surplus, the Charity recognises an asset only to the extent that it is able to recover the surplus through a refund or reduced future contributions. Where no such benefit is expected to be available, an asset ceiling is applied in accordance with FRS 102 Section 28.22A–28.24.

(s) Critical accounting estimates and areas of judgement
In the application of the Charity's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other relevant factors. Actual results may differ from those estimates.

The most significant estimates and assumptions are reviewed on an ongoing basis. Revisions are recognised in the period of the change and, where applicable, in future periods.

Significant areas of judgement include:

– Useful economic lives of tangible fixed assets
Tangible fixed assets are depreciated over their estimated useful lives. These lives are based on past experience and expectations about future use, and therefore require management judgement.

– Recognition of defined benefit pension scheme surplus
A pension surplus is recognised only if the Charity has an unconditional right to a refund or to reduced future contributions. Following actuarial confirmation, an asset ceiling of £nil has been applied. If no ceiling were required, the surplus would have been £10,647,000.

2 Income from charitable activities – Group and Charity

	2025	2024
	£	£
Sale of goods and services	12,839,140	13,988,181
	12,839,140	13,988,181

Income from charitable activities was £12,839,140 (2024: £13,988,181) of which £nil (2024: £nil) was attributable to restricted and £12,839,140 (2024: £13,988,181) was attributable to unrestricted funds.

3 Income from other trading activities

Group

	2025	2024
	£	£
Trading subsidiary turnover	317,505	310,468

Income from other trading activities was £317,505 (2024: £310,468) which was all attributable to unrestricted funds.

Charity

	2025	2024
	£	£
Management charge received from subsidiary	19,746	18,858
Deed of gift from subsidiary	62,250	34,000
	81,996	52,858

4 Income from investments

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Interest	113,910	112,679	132,966	131,481

Group income from investments was £113,910 (2024: £132,966) which was all attributable to unrestricted funds.

5 Other income – Group and Charity

	2025 £	2024 £
Funding provided by Kirklees Metropolitan Council	1,220,660	3,035,867
Sports and Leisure Funding	500	45,886
	1,221,160	3,081,753

Other income was £1,221,160 (2024: £3,081,753) of which £1,221,160 (2024: £3,035,867) was attributable to unrestricted funds and £nil (2024: £45,886) was attributable to restricted funds.

6 Analysis of expenditure

Group			2025			2024
	Staff costs	Other costs	Deprec.	Support costs	Total	Total
Raising funds	£	£	£	£	£	£
Trading subsidiary expenses	96,482	138,626	1,508	19,746	256,362	274,167
Charitable activities						
Staff costs	5,717,650			3,888,716	9,606,366	11,065,355
Transport costs		2,764		448,965	451,729	489,359
Premises costs		1,428,206		8,318	1,436,524	2,147,655
Supplies & services	(186,000)	1,003,795	340,238	1,011,133	2,169,166	2,988,031
Kirklees Metropolitan Council service level agreements		2,325		286,771	289,096	269,435
	5,531,650	2,437,090	340,238	5,643,903	13,952,881	16,959,835
Total resources expended	5,628,132	2,575,716	341,746	5,663,649	14,209,243	17,234,002

Expenditure on raising funds was £256,362 (2024: £274,167) all of which was attributable to unrestricted funds. Expenditure on charitable activities was £13,952,881 (2024: £16,959,835) of which £nil (2024: £37,553) was attributable to restricted and £13,952,881 (2024: £16,922,282) was attributable to unrestricted funds.

Charity			2025			2024
	Staff costs	Other costs	Deprec.	Support costs	Total	Total
Charitable activities	£	£	£	£	£	£
Staff costs	5,717,650			3,908,462	9,626,112	11,084,213
Transport costs		2,764		448,965	451,729	489,359
Premises costs		1,428,206		8,318	1,436,524	2,147,655
Supplies & services	(186,000)	1,003,795	340,238	1,011,133	2,169,166	2,988,031
Kirklees Metropolitan Council service level agreements		2,325		286,771	289,096	269,435
	5,531,650	2,437,090	340,238	5,663,649	13,972,627	16,978,693
Total resources expended	5,531,650	2,437,090	340,238	5,663,649	13,972,627	16,978,693

Expenditure on charitable activities was £13,972,627 (2024: £16,978,693) of which £nil (2024: £37,553) was attributable to restricted and £13,972,627 (2024: £16,922,282) was attributable to unrestricted funds.

7 Allocation of support costs

Group	2025 Raising funds	2025 Charitable Activities	2025 Total	2024 Total
	£	£	£	£
Staff costs	19,746	3,888,716	3,908,462	4,687,019
Transport costs	-	448,965	448,965	486,595
Premises costs	-	8,318	8,318	232,807
Supplies and services	-	1,011,133	1,011,133	1,000,131
Kirklees Metropolitan Council service level agreements	-	286,771	286,771	269,159
Total	19,746	5,643,903	5,663,649	6,675,711

Charity	2025 Charitable Activities	2025 Total	2024 Total
	£	£	£
Staff costs	3,908,462	3,908,462	4,687,019
Transport costs	448,965	448,965	486,595
Premises costs	8,318	8,318	232,807
Supplies and services	1,011,133	1,011,133	1,000,131
Kirklees Metropolitan Council service level agreements	286,771	286,771	269,159
Total	5,663,649	5,663,649	6,675,711

8 Audit fees – Group and Charity

	2025	2024
	£	£
Auditor's remuneration – statutory audit	19,250	20,000

The above costs are attributable to unrestricted funds.

9 Net (expenditure) for the year

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

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Depreciation of tangible fixed assets	341,746	340,238	675,379	669,468
Gain on sale of tangible fixed assets	(45,840)	(45,840)	(34,121)	(34,121)
Operating lease rentals	6,052	6,052	131,499	131,499

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. There were £nil (2024: £nil) reimbursement of trustees' expenses during the year.

The total amount of employee benefits received by key management personnel is £340,113 (2024: £323,918). The trust considers its key management personnel comprise of the Strategic Leadership Team which includes the Chief Executive and the Deputy Chief Executive. The remuneration of senior staff is reviewed annually by the Kirklees Active Leisure Remuneration Committee.

11 Staff costs and employee benefits

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

	2025 Number	2025 FTE	2024 Number	2024 FTE
Charitable activities	523	227.3	596	265.0
Raising funds	22	2.1	30	3.7
	545	229.4	626	268.7

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

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Wages and salaries	7,583,015	7,512,333	8,381,753	8,297,838
Social security	559,028	557,767	569,610	568,231
Defined benefit pension operating costs	876,245	871,452	1,008,397	1,004,954
Other payroll costs	85,352	85,352	651,832	651,832
Self-employed instructors	599,208	599,208	561,358	561,358
	9,702,848	9,626,112	11,172,950	11,084,213

11 **Staff costs and employee benefits** (continued)

The total amount of employee redundancy or termination payments relating to the reporting period is £30,909 (2024: £586,063). 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:

	2025 Number	2024 Number
£90,001 - £100,000	1	1
£80,001 - £90,000	-	-
£70,001 - £80,000	1	-
£60,001 - £70,000	2	1

12 **Interest payable and similar charges – Group and Charity**

	2025 £	2024 £
Interest on defined benefit pension liability	(186,000)	(55,000)
	(186,000)	(55,000)

13 Tangible fixed assets

Group	Plant and equipment £	Fixtures and Fittings £	Total £
Cost:			
At 1 April 2024	3,797,058	1,396,344	5,193,402
Additions	198,568	21,144	219,712
Disposals	(2,250)	(61,242)	(63,492)
At 31 March 2025	3,993,376	1,356,246	5,349,622
Depreciation:			
At 1 April 2024	3,010,747	1,235,901	4,246,648
Charge for the year	287,003	54,743	341,746
On disposals	(2,250)	(61,242)	(63,492)
At 31 March 2025	3,295,500	1,229,402	4,524,902
Net Book value:			
At 31 March 2024	786,311	160,443	946,754
At 31 March 2025	697,876	126,844	824,720

Charity	Plant and equipment £	Fixtures and fittings £	Total £
Cost:			
At 1 April 2024	3,784,370	1,315,987	5,100,357
Additions	198,568	21,144	219,712
At 31 March 2025	3,982,938	1,337,131	5,320,069
Depreciation:			
At 1 April 2024	2,999,568	1,155,543	4,155,111
Charge for the year	285,495	54,743	340,238
At 31 March 2025	3,285,063	1,210,286	4,495,349
Net Book value:			
At 31 March 2024	784,802	160,444	945,246
At 31 March 2025	697,875	126,845	824,720

14 Fixed asset investments

Charity	Equity in subsidiary undertaking £	Total £
Cost:		
At 1 April 2024 and 31 March 2025	2	2
Carrying amount:		
At 31 March 2025	2	2
At 1 April 2024	2	2

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:

	2025 £	2024 £
Turnover	317,505	310,468
Cost of sales	(116,909)	(119,541)
Gross profit	200,596	190,927
Administration expenses	(119,707)	(135,768)
Management charge paid to Kirklees Active Leisure	(19,746)	(18,858)
Other operating income		
Interest receivable & similar income	1,231	1,485
Net profit	62,374	37,786
Deed of gift to Kirklees Active Leisure	(62,250)	(34,000)
Tax on profit on ordinary activities	(231)	(942)
	(107)	2,844
The assets and liabilities of the subsidiary were:		
Assets	111,661	85,908
Liabilities	(111,439)	(85,579)
Total net assets	222	329
Aggregate share capital and reserves	222	329

15 Debtors

	Group 2025	Charity 2025	Group 2024	Charity 2024
	£	£	£	£
Trade debtors	104,058	91,821	146,023	146,023
Amounts owed by subsidiary	-	85,975	-	60,890
Other debtors	2,339	-	4,071	-
Prepayments	233,678	233,678	85,571	85,571
Accrued income	34,053	34,053	28,028	28,028
	374,128	445,527	263,693	320,512

16 Creditors: amounts falling due within one year

	Group 2025	Charity 2025	Group 2024	Charity 2024
	£	£	£	£
Trade creditors	492,268	486,736	544,067	540,400
Amounts owed to subsidiary	-	21,591	-	44,418
Other tax and social security	75,320	65,796	209,110	200,087
Other creditors	425,029	425,029	342,413	334,313
Accruals and deferred income	1,713,867	1,703,459	1,709,320	1,705,420
	2,706,484	2,702,611	2,804,910	2,824,638

17 Leases – Group and Charity

Operating leases – lessee

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

Due within:	2025	2024
	£	£
Less than one year	14,154	-
Later than one and not later than five years	56,616	-
Later than five years	1,180	-
	71,950	-

18 Deferred taxation

The movement in the deferred tax provision during the year was:	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Provision brought forward	-	-	781	-
Profit and loss account movement during the year	-	-	(781)	-
Provision carried forward	-	-	-	-

19 Fund reconciliation

Unrestricted funds - Group

	Balance at 01-Apr-24	Income	Expenditure	Gains/(losses)	Balance at 31-Mar-25
	£	£	£	£	£
Unrestricted	4,555,323	14,491,715	(14,209,474)	(3,429,000)	1,408,564
Designated funds	-	-	-	-	-
	4,555,323	14,491,715	(14,209,474)	(3,429,000)	1,408,564

Unrestricted funds - Charity

	Balance at 01-Apr-24	Income	Expenditure	Gains/(losses)	Balance at 31-Mar-25
	£	£	£	£	£
Unrestricted	4,554,996	14,254,975	(13,972,627)	(3,429,000)	1,408,344
Designated funds	-	-	-	-	-
	4,554,996	14,254,975	(13,972,627)	(3,429,000)	1,408,344

Restricted funds – Group and Charity

	Balance at 01-Apr-24	Income	Expenditure	Gains/(losses)	Balance at 31-Mar-25
	£	£	£	£	£
Restricted	143,840	-	-	-	143,840

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 project expenses.

20 Analysis of net assets between funds

	Unrestricted		Restricted		Total	
	Group	Charity	Group	Charity	Group	Charity
	£	£	£	£	£	£
Fixed assets	824,720	824,720	-	-	824,720	824,720
Investments	-	2	-	-		2
Net current assets	583,844	583,622	143,840	143,840	727,684	727,462
Creditors: more than one Year	-	-	-	-	-	-
Pension liability	-	-	-	-	-	-
Total	1,408,564	1,408,344	143,840	143,840	1,552,404	1,552,184

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

Group	2025	2024
	£	£
Net (expenditure) for the year	282,472	279,366
Interest (receivable)/payable	(113,910)	(132,966)
Depreciation of tangible fixed assets	341,746	675,379
Profit on disposal of fixed assets	(45,840)	(34,121)
Corporation tax	(231)	
Pension funding	(5,000)	272,000
(Increase)/decrease in stock	0	25,414
(Increase)/decrease in debtors	(110,435)	147,286
Increase/(decrease) in creditors	(98,426)	(368,374)
Net cash flow from operating activities	250,376	863,984

Charity		
Net (expenditure) for the year	282,348	275,580
Interest (receivable)/payable	(112,679)	(131,481)
Depreciation of tangible fixed assets	340,238	669,468
Profit on disposal of fixed assets	(45,840)	(34,121)
Pension funding	(5,000)	272,000
(Increase) in stock	0	25,414
(Increase)/decrease in debtors	(125,015)	132,461
Increase/(decrease) in creditors	(122,027)	(360,481)
Net cash flow from operating activities	212,025	848,840

22 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 2022.

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

	2025	2024
	£	£
Contributions	832,000	823,000
Current service cost	(872,000)	(1,022,000)
Past service cost	(141,000)	(128,000)
Net interest expense	186,000	55,000
Recognised in net expenditure	5,000	(272,000)
Recognised in other gains/(losses)	-	3,040,000
Total credit/(cost) recognised	5,000	2,768,000

Although a pension surplus of £3.554m was recognised in 2024, in the current year the Trustees have reviewed the requirements of FRS 102 Section 28.22A–28.24 and, based on confirmation from WYPF and contribution levels, have applied an asset ceiling of £nil. Accordingly, the 2025 pension surplus has not been recognised.

This reflects a change in accounting judgment based on further clarity and assessment, and does not affect the comparative 2024 figures.

Amounts recognised in the balance sheet were as follows:

	2025	2024
	£	£
Present value of funded obligations	(24,924,000)	(30,680,000)
Fair value of plan assets	35,571,000	34,234,000
	10,647,000	3,554,000

	2025	2024
	£	£
Net asset recognised in the balance sheet	-	3,554,000

Although the actuarial valuation indicates a surplus of £10,647,000, no asset has been recognised due to the application of an asset ceiling. As the Charity does not have an unconditional right to a refund nor does it expect reduced contributions, the surplus is not deemed to be an economic benefit available to the Charity under FRS 102

22 **Pensions and other post-retirement benefits** (continued)

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

	2025	2024
	£	£
Opening defined benefit obligation	30,680,000	30,425,000
Current service cost	872,000	1,022,000
Past service cost	141,000	128,000
Interest expense	1,424,000	1,387,000
Actuarial (gains)/loss	(7,393,000)	(1,720,000)
Contributions by scheme participants	372,000	386,000
Benefits paid	(1,172,000)	(948,000)
Closing defined benefit obligation	24,924,000	30,734,000

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

	2025	2024
	£	£
Opening plan assets	34,234,000	31,211,000
Interest income	1,610,000	1,442,000
Re-measurement gains on assets	(305,000)	1,320,000
Contributions by charity	832,000	823,000
Contributions by scheme participants	372,000	386,000
Benefits paid	(1,172,000)	(948,000)
Closing plan assets	35,571,000	34,234,000

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

	2025	2024
Equities	79.30%	79.00%
Government funds	9.00%	8.60%
Corporate funds	4.00%	4.20%
Property	2.80%	2.90%
Cash	2.60%	4.00%
Other assets	2.30%	1.30%
	100.00%	100.00%

The return on plan assets was as follows:

	2025	2024
	£	£
Interest income	1,610,000	1,442,000
Gain/(loss) on plan assets (excluding interest income)	(305,000)	1,320,000
Total return on plan assets	1,305,000	2,762,000

22 Pensions and other post-retirement benefits (continued)

The principal actuarial assumptions used were as follows:

	2025	2024
Discount rate	5.80%	4.70%
Expected rates of salary increases	3.75%	3.75%
Expected rates of pension increases	2.50%	2.50%
Expected rate of inflation – RPI	2.50%	2.50%
Expected rate of inflation – CPI	2.50%	2.50%

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

	2025	2024
Retiring at the balance sheet date		
- Males	20.9	21
- Females	24.1	24.2
Retiring in 20 years		
- Males	21.8	22.3
- Females	24.8	25.2

Scheme liabilities would have been affected by changes in the assumptions as follows:

	2025	2024
	£	£
Discount rate +0.1%	(573,000)	(738,000)
Discount rate -0.1%	598,000	768,000
Mortality assumption +1 year	(548,000)	(799,000)
Mortality assumption -1 year	548,000	768,000
Salaries +0.1%	50,000	61,000
Salaries -0.1%	(50,000)	(61,000)

23 Related party transactions

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

	Expenditure	Outstanding balances
	£	£
Azure Consulting, a company controlled by a trustee	2,195	-
Kirklees Stadium Development Ltd, whose company secretary is a trustee	652	-
At 31 March 2025	2,847	-
At 31 March 2024	177,524	-

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

- £1,259,643 received from Kirklees Council
- £914,592 was spent with Kirklees Council including £289,096 of services purchased under service level agreements with Kirklees Council and payment made by KAL of £320,906 against financing charges. The Articles of Association allow the Council to appoint up to two Trustees. Trustees M S Thompson and M.S. Sokhal are Councillors for Kirklees Council and the appointed Council Trustees for KAL.

24 Financial Commitments

Financial Commitments to Kirklees Council

	2025	2024
	£	£
Outstanding contributions to facility improvements KAL	3,318,687	3,639,593

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.

DETAILED CHARITABLE EXPENDITURE (including Governance Expenditure)

	2025		2024	
	£	£	£	£
Staff costs				
Salaries	5,480,928		5,699,613	
Wages	2,925,759		3,367,280	
Teachers	353,865		477,130	
Self-employed instructors	599,208		561,358	
Indirect employee costs	85,352		651,832	
Current year pension charge	181,000		327,000	
		9,626,112		11,084,213
Transport costs		451,729		489,359
Premises costs				
Repairs and maintenance	641,706		938,975	
Electricity	3,541		106,822	
Gas	0		0	
Water	177,520		194,602	
Energy savings works	153,048		248,896	
Other utility costs	2,185		3,035	
Rent	0		121,836	
Insurance	91,940		102,758	
Water treatment	74,359		115,557	
Non-recreational equipment	31,880		35,082	
Rates	38,916		29,094	
Other	221,429		250,998	
		1,436,524		2,147,655
Supplies and services				
Equipment	140,117		135,642	
Marketing	191,325		151,681	
IT	336,375		359,630	
Postage, printing and stationery	21,980		27,596	
Communications	24,279		24,576	
Resale items	86,658		121,836	
Depreciation	340,238		669,468	
Kirklees Metropolitan Council finance charges	320,906		479,447	
Professional	183,456		278,125	
Licences	160,440		186,022	
Financial	(126,540)		18,622	
Irrecoverable VAT	462,260		495,422	
Other	27,672		39,964	
		2,169,166		2,988,031
Kirklees Metropolitan Council service level agreements		289,096		269,435
Total expenditure		13,972,627		16,978,693

KIRKLEES ACTIVE LEISURE

England & Wales - Charity number 1091226

Accounts

KIRKLEES ACTIVE LEISURE

FINANCIAL STATEMENTS

31 MARCH 2024

Company registration number: 4331165
Registered charity number: 1091226

KIRKLEES ACTIVE LEISURE
FINANCIAL STATEMENTS
31 MARCH 2024

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Company registration number: **4331165**
Registered charity number: **1091226**

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2024
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 2024. 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
Huddersfield Leisure Centre
Spring Grove Street
Huddersfield, HD1 4BP

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

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

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

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

CHAIRPERSON
D. Stephenson

CHIEF EXECUTIVE
A.I. Brown

TRUSTEES
J.A. Briggs – *resigned 20th September 2023*
M.T. Hudson
Cllr. M.S. Sokhal
B.C. Stahelin
B. Uppal
J.S. Fletcher
S. Alderson
P. Kemp
Cllr. M.S. Thompson
S. Khela – *appointed 20th September 2023*

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 the only benefit they receive from the Charity is access to the KAL staff membership scheme, in line with all other volunteers working with KAL, allowing low cost access to the leisure facilities managed by the Trust, which is felt to be appropriate given the form of organisation and the need for Trustees to be aware of the services provided.

In line with KAL's conflict of interest's policy, Memorandum and Articles of Association and following discussion at the July 2022 KAL Board meeting, it was agreed that one of the Trustees should be allowed to receive financial reimbursement for facilitation services provided to KAL's senior staff group. This arrangement has continued into 2023/24 and is noted at each KAL Board meeting.

Any reasonable expenses reclaimed by Trustees from the Charity are set out in the financial statements.

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

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

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

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

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

At the annual Trustees half away day, in November 2023, the Trustees took part in workshops led by a specialist Charities lawyer concerning decision making and Board effectiveness.

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. A further governance review was undertaken, commencing in April 2023, with an improvement plan considered and agreed by the Board at their May 2023 meeting. This included a revised Code of Conduct for the KAL Trustees which was considered and agreed by the Board at their July 2023 meeting, as well as the workshops noted above undertaken at the KAL Trustees half away day. A Trustees skills audit was also undertaken with the results fed back to the Board at the half away day.

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. The template used to guide the 1-2-1 discussions was updated as part of the 2023 governance review to ensure how to improve Board performance was discussed.

Organisation

The Board of Trustees, which has up to 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, for example a governance review task & finish group was formed in April 2023.

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

Diversity

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

- A commitment made by the Board to continue to ensure that, wherever possible, the Board is representative of the views of the Kirklees community

- Future Board recruitment will specifically encourage applicants from under-represented groups, with additional support to applicants provided as necessary
- Diversity training is provided to the Board
- A statement summarising the Board's work to foster all aspects of diversity is published on the Charity's website.

Following the 2023 governance review undertaken it was further agreed to report upon the following aspects:

- That KAL achieved the Inclusive Employers - Bronze standard in October 2022, with a subsequent action plan continuing to be progressed.
- That summary demographic information relating to KAL's workforce and customer base are considered at each KAL Board meeting.
- That a commitment is included from the KAL Board on the main KAL website to work towards becoming demographically representative. As of March 2024, the KAL Board included 10 Trustees, three of which were female and three of which were Sikhs.

KAL remains committed towards continuing to positively progress our approach towards being an inclusive employer, encouraging a workforce and Board of Trustees that reflect the demographic of the local community.

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

KAL introduced a new and improved 121 system for staff in Autumn 2022, which was then reviewed with a revised version introduced from September 2023. This is considered a key staff communication tool, to try to consider and support the overall health & wellbeing of staff, their career development and so forth.

Regular team meetings take place, both at each KAL site and across the Head Office teams. The annual staff survey was again undertaken in Spring 2023, providing useful feedback to be considered and used to improve engagement with staff where possible. The staff survey included feedback that 84% of staff would recommend KAL as a good place to work, with an overall staff satisfaction rating of 7.32, higher than any rating since 2016. Further staff roadshows were undertaken in June 2023, which were attended by a range of staff from across the organisation, providing the opportunity for staff to receive updates regarding the Charity and to take part in workshop sessions.

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

However, as noted elsewhere within the annual report, 2023/24 was an extremely challenging year for KAL given the continuing major expenditure pressures facing the Charity due to increasing staff costs, linked to increases in the National Living Wage (NLW); significantly higher energy costs; and overall high inflation leading to increased supplier costs. The position was also then significantly further impacted by

the major reduction in available Council funding support from 2023/24 into 2024/25, where Kirklees Council financial support for KAL was to reduce from £6.1m to £2.55m.

Collectively these financial pressures required the Charity to take some very difficult decisions to rationalise the organisation and the services that KAL was able to provide. Sadly, this led to the loss of some 100 staff roles over the course of 2023/24, through a significant redundancy process, which proved to be very unsettling for the whole organisation.

The redundancy process required the statutory collective consultation with KAL employees and the recognised unions and ongoing detailed engagement with individual staff as redeployment roles were considered where possible, before voluntary and then, unfortunately, compulsory redundancy options were developed.

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 19.9% 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 the year ending March 2024, KALT made a pre-tax profit of £37,786 (2023: £10,960 pre-tax profit) and made a gift aid payment back to the parent Charity of £34,000 (2023: £17,400) resulting in a £2,844 profit after the gift aid and tax on profit (2023: £5,143 loss).

Objects and Activities
The Objects of the Charity are:

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

The Objects of the Charity contribute to a range of charitable purposes, as outlined within the Charities Act 2006, as follows. During 2023/24, as noted above, the Charity faced an especially challenging period due to the significant expenditure pressures impacting upon the Charity, combined with the major reduction in available Council funding support available for the following financial year (2024/25) and beyond. This required a major re-modelling of KAL's financial model, including, unfortunately, the closure of several leisure facilities and the loss of c.100 staff members.

Charitable purpose -	Example of activity -
The advancement of education	- The Charity delivers the local school swimming service to 146 local schools. The new, more intensive programme introduced in 2021/22, with longer swim lesson sessions over fewer weeks, has proved to be successful, with outcomes improving slightly once again based upon early 2023/24 data. The school swimming service was impacted upon during 2023/24 with the closure of Dewsbury Sports Centre in September 2023 due to RAAC

Charitable purpose -	Example of activity -
	(Reinforced Autoclaved Aerated concrete), following the earlier closure of Batley Baths & Recreation Centre (since December 2022) and the temporary closure of Colne Valley Leisure Centre swimming pool (December 2022 – April 2023). All schools using the service were successfully relocated to alternative venues, however travel times to/from school increased for some. The service has begun to move from a 4 towards a 5 sessions per swimming pool model to both increase capacity as well as reduce transport costs. - KAL's own learn to swim swimming lesson programme was also negatively impacted by the above site closures, as well as the closure of the Stadium Health & Fitness Club site in December 2023. KAL swimming lesson numbers have therefore reduced from c.7000 young people taking part in regular swimming lessons in March 2023 to now 6023 as of March 2024. KAL aim to grow the number of swimming lesson customers back to a new capacity of some 6500 over the months ahead. - KAL continued to provide a tennis coaching programme, offering tennis development opportunities for young people. - All activities were again available to all groups of the local community, with pricing discounts provided via KAL's Flexi-card scheme and the local Kirklees Passport scheme. - KAL staff undertook training in a wide range of aspects, including health & safety, safeguarding, KAL's corporate induction, revised site inductions, equality, diversity & inclusion, conflict management, etc., as well as further ongoing training for frontline staff and higher-level training provided for managers via the National Pool Managers and National Pool Supervisors Qualifications. Higher level apprenticeship programmes were also completed by some staff.
The advancement of health	- KAL continued to progress our strategic direction as a preventative health & wellbeing provider, to encourage the inactive to be active and appeal to a wider customer base. - A number of core products continued to be delivered, including exercise referral schemes and a recommendation scheme, "First Steps To Fitness", which targeted those who had been inactive for at least the previous 12 months and provided them with a more supportive induction process to make use of the KAL sites and to hopefully embed the healthy habit of being more physically active. - Targeted demographic approaches were also introduced for pre/post natal women – "Moving Mums" - and older people, where the range of KAL products suitable for these population groups were packaged together and promoted through a range of local agencies. - Outcome data from the above products is being collected, with initial feedback positive regarding the impact upon the health & wellbeing of the individuals involved. - KAL continues to develop our partnership with the University of

Charitable purpose -	Example of activity -
	Huddersfield, to both ensure the impact of KAL's products are effectively measured, but also across a range of other developments linked to the University's Health and Wellbeing Academy developments. Placements, health checks, the development of a joint PhD role, etc are all continuing to be progressed. KAL is also engaging at a West Yorkshire level with West Yorkshire leisure operators, health contacts, Universities and the Yorkshire Sport Foundation to try to develop a more coordinated approach to preventive health & wellbeing approaches within leisure centre settings.
The advancement of citizenship and community development	- Due to the financial pressures facing KAL and the local authority, and the subsequent need for KAL to rationalise the service it could provide, the Council undertook a major leisure centre consultation exercise in Autumn 2023. The consultation received the largest number of responses ever made to the local authority for such an exercise, with over 17k responses. Many responses received were positive about the service being provided and the role of KAL in delivering health & wellbeing opportunities for local people. Support received from the consultation together with KAL's financial re-modelling allowed for a more limited rationalisation of facilities provided to be required, allowing important local health & wellbeing services and, importantly employment opportunities, to be retained. - Free fitness membership for Care Leavers and targeted other individuals continues to be provided.
The advancement of amateur sport	- The Charity continues to work closely with several significant local sports clubs that make use of the facilities managed by the Charity. This includes athletics clubs; a range of swimming clubs; a tennis club; a golf club; and a major local community football club (Howden Clough AFC). - KAL is a key partner on the local strategic partnership for sport and wider physical activity- "Everybody Active" and the Kirklees Active Schools sub-group. - KAL also hosts local multi-sports VCS organisations, assisting them where possible. - However, given KAL's continuing difficult financial position and reduced facility and staff capacity, much of this work is at risk, with KAL having to make some difficult decisions in terms of available space and the costs which are charged to 3rd party organisations, which have had to be increased significantly. Reductions continue to be provided for 3rd parties that hold appropriate quality marks to try to encourage these to be retained.
The advancement of environmental protection or improvement	- Reducing CO2 emissions and being as efficient as possible with energy consumption continues to be a key component of KAL's approach, with considerable investment continuing to be made to ensure energy use and emissions remain low for the type of organisation and facilities operated. - Energy pressures in particular for KAL's swimming pool facilities

Charitable purpose -	Example of activity -
	continues to be a major challenge for the Charity which has added considerable strain to the Charity's financial position and has now led to the closure of three swimming pool sites since December 2022 – Batley Baths & Recreation Centre (December 2022); Dewsbury Sports Centre (September 2023); Stadium Health & Fitness Club (December 2023).
The relief of those in need, by reason of youth, age, ill health, disability, financial hardship or other disadvantage	- Discounted pricing, accessible facilities and the breadth of activity opportunity on offer ensure that KAL is accessible to various customer groups across the Kirklees community. - Examples include the free fitness membership offer highlighted above for Care Leavers, etc, while the Charity also support worthy local groups, such as with disadvantaged young parents and their families from the local Home-Start group and supporting them to make use of their local leisure facilities. KAL's support of the Uniform Exchange scheme, where collection points in KAL sites allow customers to pass to Uniform Exchange school uniforms to re-cycle, and of the local Forget Me Not Children's Hospice and Kirkwood Hospice are further examples of where KAL support those in need. - Successful older people's activity groups are in place at several of the KAL managed sites (Batley Sports & Tennis Centre, Colne Valley Leisure Centre and Huddersfield Leisure Centre). - A disability sports club meets weekly at Huddersfield Leisure Centre, while KAL's support of the Kirklees Passport scheme allows heavily reduced cost access to the leisure centres, with the ability for a plus 1 to support where required. - However, the major financial challenges that have impacted upon KAL during 2023/24 and the subsequent facility closures of major leisure facilities in areas of particular disadvantage (i.e. Batley Baths & Recreation Centre and Dewsbury Sports Centre), as well as the further financial need to reduce the opening hours at a further site in an area of disadvantage (i.e. Deighton Sports Arena reduced to 21 hours opening / week) have reduced the ability of the Charity to provide local services for those living in areas of disadvantage. Despite this, c.20% of KAL customers continue to be from the lowest 20% IMD (Index of Multiple Disadvantage) area.

Our strategy for meeting our Charitable Purposes

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

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

KAL identifies two headline challenges within its' corporate strategy -

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

Given Covid-19 and its' impact upon KAL's finances and now, the considerable impact of high energy prices, ongoing major increases in staffing costs and the high rate of inflation, the second headline challenge regarding KAL remaining financial sustainable has not been possible without the significant financial support from Kirklees Council.

However, the Council have now informed KAL that the level of financial support available for the Charity will significantly reduce into 2024/25 due, largely, to the Council's own challenging financial position. This led KAL to undertake a major rationalisation exercise during 2023/24, with the closure of several facilities, considerable reductions in KAL staff numbers and the KAL Head Office moving from the Stadium Health & Fitness Centre to Huddersfield Leisure Centre, a significant saving in itself due to the commercial rental being charged at the Stadium site.

KAL is now confident that the new operating model developed will be a more viable one given the reduced level of local authority financial support, with expenditure costs significantly reduced and income levels proportionately retained with an ability to be grown further over the months ahead.

The Strategy has 3 Aims:

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

Ensuring our work delivers our Strategic Aims

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

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

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

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

Who used and benefited from our services?
The facilities operated by the Charity continued to receive more than 2.5m million customer visits from across the entire community spectrum of Kirklees during 2023/24, with a reduction of only some 17k customer visits from 2022/23, a major achievement given the closure of several leisure centres and the challenging disruption of the Council's leisure centre consultation exercise during Autumn 2023.

Emphasis continues to be given to "target groups" within the local community, to actively encourage them to take part in the range of health & wellbeing activities available across the KAL managed sites and to receive the associated mental and physical health benefits of such involvement. Groups particularly targeted to use the Charity's facilities include the following:

- Older people (60+)
- Young people (up to age 16)
- Women and girls
- Those with a disability
- The financially disadvantaged

There are no restrictions on who can make use of the facilities provided by the Charity.

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

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

sites are also used by several local aquatics clubs, including swimming, triathlon and canoe clubs.

- Fitness Suites, which are accessible to all and offered at a range of pricing levels, making them affordable for the majority of the local 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 Stompers soft play and TAG X activity products at Batley Sports & Tennis Centre; and the "Immerse" pool inflatable and activity pool offering at Spen Valley Leisure Centre.

While the Charity has very limited outreach capacity, it works closely with other local partners, such as Kirklees Council, Third Sector Leaders (Kirklees) (the umbrella organisation for the local VCSE sector) and Kirklees Youth Alliance, the umbrella organisation for the local VCSE youth providers, to encourage new customer groups to make use of the sites looked after by the Charity.

In addition, through the separate subsidiary company, Kirklees Active Leisure Trading Limited (KALT), a catering and vending service is provided by 3rd parties commissioned by KALT. KALT also directly provides a café at one of the Charity's facilities.

The Charity is committed to equality of opportunity where possible 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.

In October 2022 KAL were awarded the Inclusive Employers Bronze standard award, a fantastic achievement for the Charity and a demonstration of our commitment to equality, diversity & inclusion and testament to the progress made. An action plan is now being progressed to try to ensure the Charity continues to develop this important aspect.

In March 2023 KAL achieved Quality 4 Health & Wellbeing Accreditation for "excellence in health & wellbeing services". This rigorous external accreditation process provided a thorough review of KAL and confirmed the organisation as operating at a high standard.

The Charity's relationship with Kirklees Council, as KAL's host authority, has been significantly strained during 2023/24 given the reduction in future funding available from the Council, their leisure centre consultation exercise and the need for KAL to quickly propose and implement an alternative model for the much-reduced funding available. KAL's position as an independent Charity needs to be remembered by the Council and a return to an effective partnership model of working developed again for the benefit of both parties and the local community.

Strong partnerships continue with several National Governing Bodies of Sport, the Yorkshire Sport Foundation, Third Sector Leaders – Kirklees, KYA, the University of Huddersfield and a range of other local partners across the public, private and voluntary sectors.

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

providers.

KAL also works to support and, where possible, fundraise, for a wide range of local and national charities throughout the course of the year, such as the local hospices, Uniform Exchange, etc.

Consultation
KAL completed a further annual customer survey in April 2023, with over 2,100 customers taking part.

Headline results were, disappointingly, down from the previous year –

- Overall customer satisfaction was rated as 75.8 (compared to 77.1 in 2022 and 79.6 in 2019)
- Value for money was rated 75.8 (compared to 78.6 in 2022 and 80.4 in 2019)

KAL needs to continue to focus upon providing excellent customer service and continuing good value for the services provided to try to improve upon this position in future years.

The results for how making use of one of the Charity's sites made people feel, from a health & wellbeing perspective, remained positive, but slightly reduced also from 2022 (in brackets), with an index of 81.8 (82.8) for use making customers feel healthier; 71.1 (72) for feel more confident; 77.1 (77.9) for happier; and 77.5 (78) for improving their quality of life.

As well as the annual customer survey, the Charity also receives ad hoc feedback via our various communication channels.

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

- **Health benefits:** The primary benefit of taking part in the activities provided by the Charity relates to improving the health, wellbeing and the quality of life of individuals (as reflected in the customer survey feedback noted above). 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:** The swimming lessons that take place within the Charity's facilities each year, teaching both children and adults a key life skill. Coaching and instruction is also provided in a variety of sports and other leisure activities. Swim Teaching and Lifeguard courses are held by the Charity on a regular basis, both for the Charity's own staff and external attendees. Lifeguard; safeguarding; equality, diversity & inclusion; manual handling; and other related training is also provided to the Charity's own staff.
- **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. However, as noted elsewhere in this report and due to the financial challenge facing the Charity and the need to rationalise the level of provision available, given the closure/ reduced opening hours of several of the Charity's facilities since December 2022, the ability of the Charity to impact on local community cohesion in certain areas of Kirklees has significantly reduced.
- **Community development:** Many 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 supports several community groups to raise the profile of their services, fundraise and improve their sustainability. Again, unfortunately the closure/ reduced opening hours of several KAL sites is likely to reduce the amount of community development that KAL is able to contribute to.

Strategic Report

Achievement, Performance and Challenges

The start of 2023/24 saw the Charity successfully re-open the Colne Valley Leisure Centre swimming pool, which had temporarily closed in December 2022, while the Deighton Sports Arena, which had also closed temporarily in December 2022, also re-opened, but on a limited hours basis only.

As the financial position continued to be very challenging Kirklees Council made KAL aware that their funding support would have to reduce significantly from £6.1m in 2023/24 to £2.55m in 2024/25 due to their own considerable financial pressures. This required KAL to re-evaluate our financial model and work towards developing a significantly reduced offer. The Council also instigated their leisure centre public consultation exercise to seek the views of the local community, both customers and non-users. The consultation included an indication as to which sites it was proposed may need to close, which was worrying for those staff and customer groups in particular.

The Council's consultation exercise was met with a huge response, with over 17k replies, as well as responses received by a wide range of stakeholders, both locally and from further afield, expressing their support for KAL and the local leisure centres.

In addition, extensive amounts of RAAC (Reinforced Autoclaved Aerated Concrete) were discovered within Dewsbury Sports Centre in September 2024, with the Council asking KAL to close the site with immediate effect.

The Charity responded proactively to these challenges, developing a new financial model and taking the action necessary to close particular sites, move the Charity's Head Office and reduce staffing numbers.

This resulted in a successful in year turnaround, helped by the retention of large numbers of customers from closed sites to the remaining facilities, with some new investment into improved facilities at two of the sites and a range of further invest-2-save energy reduction schemes at several sites, taking place in the final quarter of 2023/24.

The final end of year financial position is outlined in detail below but demonstrates an incredibly positive outturn position considering the major challenges faced, in probably the most demanding year the Charity has ever had. This is a huge endorsement of the ability and dedication of the Charity's Trustees and staff.

End of year performance highlights to note included:

- **Aim: Putting People First**
    - Fitness memberships: due to the reduction in leisure facilities, this figure reduced to 18,853 at the end of March 2024 (from 22,967 at the end of March 2023), however, the level of customer retention was still a positive given the loss of several sites.
    - Swim lessons: 6023 swim lessons were taking place at the end of 2023/24, from 6998 at the end of 2022/23. Again, given the level of site closures, this was not considered as major a reduction as might have been expected, with reasonable levels of customer retention.

- Flexi Card holders: The Flexi Card provided by the Charity offers registered customers with discounted access to the KAL sites and had 15,073 registered customers by the end of 2023/24 (a reduction from 18,697 at the end of 2022/23).
- Health & wellbeing products: while much smaller numbers were involved, these relatively new products were protected by KAL, despite their need for a financial subsidy, due to the important role they provided in supporting KAL's strategic direction as a preventative health & wellbeing provider, the need to bring in a new customer base and the demand for these products that supported individuals' health & wellbeing. The use of the products actually grew during 2023/24, with some 3618 customers registered on health & wellbeing programmes at the end of the year (compared to 2173 in March 2023).
- The Charity's golf course – Bradley Park – also had another very strong year, achieving the highest income figure for a 12 month period since the Charity began managing the facility.
- Over 2.54m customer visits took place at KAL sites (slightly down from 2.56m the year before, but minimal considering the reduced number of facilities provided), including over 755k (c.860k in 2022/23) swimming visits and 313k Yeah! Days Out family attractions visits (c.310k in 2022/23).
- KAL employed 228.5 FTE's/ 343 contracted staff at the end of 2023/24, a significant reduction from the 301.5 FTE's/ 462 contracted staff at the end of 2022/23, reflecting the major rationalisation exercise that had been undertaken. 53% of the staff are u25, with the Charity continuing to be one of the largest employers of young people in the local area.
- 121 system further improved and re-launched for all staff.
- 120 externally recognised courses were held for KAL staff and external individuals, covering fitness, pool plant operation, health & safety, first aid, food hygiene and maintenance.
- Over 700 instances of staff attending internal training opportunities.
- KAL has over 40 active volunteers, including 10 Trustees.

- **Aim: Helping More People Become More Active**
  - Refreshed and improved fitness suites at Holmfirth Pool & Fitness Centre (March 2024) and Scissett Baths & Fitness Centre (March 2024).
  - Ongoing development of the Charity's fitness membership partnership with the University of Huddersfield, whereby their students and staff can receive low-cost access to the Charity's sites, helping to encourage them to take part in positive health & wellbeing activity.
  - Quality 4 Health & Wellbeing accreditation achieved in March 2023, providing the Charity with external validation of KAL's readiness to be an effective health & wellbeing provider.

- **Aim: Delivering business excellence**
  - Electricity consumption reduced by 25% in 2023/24 compared to 2022/23
  - Gas increased slightly by 0.01% in 2023/24 compared to 2022/23, reflecting the use of Combined Heat & Power (CHP) units across several sites to produce electricity.
  - £479k award obtained from Sport England's Swimming Pool Support Fund towards the energy and pool chemical costs at Huddersfield Leisure Centre and Scissett Baths & Fitness Centre.
  - Energy 6 – a range of energy saving projects, largely around the installation of further lighting schemes and destratification fans, were installed during the final quarter of 2023/24.
  - Display Energy Certificates (DECs) at all sites improved their ratings, other than at Huddersfield Leisure Centre, which remained the same.

Financial Review

The table below summarises the group's financial performance:

	2023/24 £000	2022/23 £000
INCOME		
From customers	13,988	13,966
From customers of subsidiary	310	280
	14,299	14,246
Investment income	133	71
Funding by Kirklees MC	3,036	2,963
Other funding	46	18
	17,514	17,298
EXPENDITURE		
Staff costs, including self-employed instructors	10,757	10,829
Other costs incurred by KAL	5,931	6,584
Costs incurred by KALT	274	269
	16,962	17,682
EXCESS OF EXPENDITURE OVER INCOME, BEFORE THE EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME	**551**	**(384)**
EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME		
Current year charge	(272)	(2,534)
Re-measurement gain / (loss)	2,910	19,156
	2,638	16,622
NET MOVEMENT IN FUNDS BEFORE TAX	3,189	16,238
Corporation Tax charge on KALT	(1)	1
NET MOVEMENT IN FUNDS AFTER TAX	3,188	16,239
FUNDS BROUGHT FORWARD	1,511	(14,728)
FUNDS CARRIED FORWARD	4,699	1,511
Comprising:		
Charity reserves, excluding pension liability	1,275	727
Subsidiary reserves	0	(2)
Total Funds, excluding pension liability	1,275	725
Pension surplus / (deficit)	3,424	786
Total Funds	4,699	1,511

The group's income for the year was £17,513,368 (2022/23 £17,297,446), of which £13,988,181 (2022/23 £13,965,617) was generated through charitable trading activities. The trading subsidiary contributed a further £310,468 (2022/23 £279,949) which was largely café customer generated income.

Total resources expended amounted to £16,962,002 (2022/23 £17,681,858) including costs incurred by the trading subsidiary of £274,167 (2022/23 £269,454).

Before the effects of Corporation Tax on the trading subsidiary, net movement in funds for the year totalled an increase of £3,189,366 (2022/23 increase of £16,237,588) and after the estimated tax charge of £942 (2022/23 £1,297 credit), a total of £3,188,424 (2022/23 an increase of £16,238,885) has been added to the unrestricted funds.

The wholly owned subsidiary, Kirklees Active Leisure Trading Limited, recorded a net profit before taxation and before gift aid of £37,786 (2022/23 £10,960).

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 reviewed the reserves policy of the Charity at their meeting of 20th September 2023. The review concluded that to allow the Charity to be managed efficiently and to try 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. The Trustees agreed at their meeting on 17th July 2024 based upon the assessment of risk an unrestricted general reserve of £900,000 should be held.

After full adoption of FRS 102, there is a balance of £4,699,163 (2022/23 £1,510,739). Excluding the pension scheme reserve there is a general unrestricted reserve of £1,130,996 at the end of 2023/24 (2022/23 £591,749). The Charity has restricted funds totalling £143,840 at the end of 2023/24 (2022/23 £135,507).

At 31 March 2024, the Charity has £230,996 (2022/23 £nil) 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
As outlined above, 2023/24 was a hugely challenging year for KAL as it had to undertake a major rationalisation of the services provided in order to reduce the Charity's expenditure to reflect the considerable reduction in funding support available from Kirklees Council in 2024/25.

While the decisions and work undertaken during the year were probably the most difficult, collectively, that the Charity has had to make since its' inception in 2002, the organisation has now emerged from this watershed strongly, with a very positive 2023/24 final quarter and a strong end of year position.

The rationalised model with the reduced sites operated and staff employed, as well as a new Head Office base established at Huddersfield Leisure Centre, is now in a positive position to stabilise and then look to grow the Charity once again over the future years. The Charity has retained and is looking to enhance a strong and capable Board of Trustees, has an experienced and hugely capable senior staff team and is now recruiting new

staff once again to reenergise both the Head Office and operational staff teams.

Further capital investment is planned for several of the sites, either as essential mechanical & electrical plant items or for further energy saving works to help with the future position of the Charity.

The health & wellbeing products and approach of the Charity have been retained and continue to grow, with an increasing and positive body of outcome evidence emerging. Work continues to progress a major pre/post cancer rehab project in partnership with Mid Yorkshire Hospital Trust and Wakefield Council.

A wide range of further efficiencies and development opportunities are being explored, which should help support KAL's Medium Term Financial Plan, where future years financial challenges remain apparent.

The position regarding several of the closed (i.e. Batley Baths & Recreation Centre and Dewsbury Sports Centre)/ reduced operating hours (i.e. Deighton Sports Arena) sites needs to be confirmed during 2024/25 if at all possible, given the ongoing significant costs relating to each, the very limited customer use of Deighton Sports Arena and the major risk to both KC and KAL of unauthorised access/ vandalism to all of these facilities.

KAL's future will be impacted upon by two major factors, as well as the range of other risks outlined below:

- **UK economic position:** inflation needs to significantly reduce to be reflected in lower supplier costs. NLW costs being imposed upon a not-for-profit employer such as KAL who have such a significant workforce are especially challenging. Energy costs also need to stabilise significantly, given the Charity's facility base and high energy requirements for swimming pools in particular. Hopefully the Council's move to an alternative utility supplier will help with this position.
- **Kirklees Council and the level of financial support affordable to KAL:** The local authority face a hugely challenging future position themselves and, while short term support from the Council remains significant and very welcome into 2024/25, it is likely that this will not be able to be continued. KAL will continue to seek a dialogue with the Council about a realistic rate by which further reductions in their financial support can be managed without the major disruption, reputational damage and impact on KAL staff that has been seen during 2023/24.

Given the above, KAL will need to continue to monitor the affordable scale of the organisation, both in terms of sites operated and services provided to a level which is viable for the level of income (both from customers and as subsidy from the local authority) that can be provided.

However, this is now from a stronger starting point for the Charity with the major sites which were operating at a significant financial loss now closed to the public or operating on reduced hours and, as long as no further major, unrealistic funding cuts are imposed too quickly, the new KAL model should be able to stabilise and grow to allow for reasonable future reductions in Council funding support while still maintaining the level of service now available.

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 considered the appropriate policies, procedures and systems to mitigate the Charity's exposure to the identified major risks where they can.

As of the KAL Board meeting in March 2024, the major corporate risks facing KAL were identified as follows:

Ref	Risk	Comment
1	Energy management	Given the ongoing conflict in Ukraine and, although there is likely to be a reduction as the Council change their energy suppliers over the coming years, the continuing high market costs of both gas and electricity, then this aspect has a major impact on the cost to operate the Charity's provision, particularly its' swimming pools.
2	KAL's Medium Term Financial Plan	Relating to the short/ medium-term financial viability of the Charity and continuing to reflect the need for ongoing financial support from Kirklees Council, which, if to reduce further, needs to be considered in dialogue with KAL and in a measured way if at all possible, to avoid further service disruption.
3	Economic Climate	Acknowledging the ongoing difficult financial position facing KAL, both staff and customers, with energy costs that remain high and the emergence of extensive cost of living pressures for many. Kirklees Council, as KAL's main partner, also adversely affected. Cost of borrowing reductions would allow KAL the opportunity to develop new income generating products.
4	Low staff morale	Cost of living increases, increasing workloads due to reduced staffing numbers and the need to re-build staff confidence from the recent threat of facility closures/ related redundancies will all increase the risk of a dissatisfied workforce and low levels of morale.
5	Dewsbury Sports Centre	While the site is currently closed due to the discovery of RAAC in the wetside part of the site, the Council continue to consider their options before making a final decision, with KAL being required to cover the site safety & security costs. The risk of unauthorised access / vandalism to the site are also a concern.
6	Salary pressures	The ongoing significant National Living Wage increases impacting upon KAL require further job grades to be increased to ensure the salary differential is maintained. Given such a large staffing number such additional costs for a not-for-profit organisation are challenging. KAL staff salaries remain below those of local authority staff undertaking equivalent responsibility roles.
7	KC financial position	Noting the continuing high level of financial support being provided by the Council even following their major reduction in support from 2023/24 levels to support in 2024/25. The recognition that this is likely to decrease further given the Council's own major financial challenges, but the need for this to be a managed reduction to allow for sites & services to continue to operate if at all possible.
8	School swimming	Reflecting the high cost of operating swimming pools, the risk that any future pool closures could negatively impact up on school swimming delivery and the emergence of temporary pool operators which may tempt some schools due to the lower costs and reduced time out of school.

Ref	Risk	Comment
9	Major capital risks	A lack of available capital funding from the Council to meet their lease requirements at the Charity's sites.
10	Staff recruitment/ retention/ termination	With the Charity, like many others, continuing to struggle to recruit/ retain staff.
11	Dissatisfied customers	Customer frustration was evident during the Council's leisure centre consultation exercise, with the subsequent damage this caused to KAL's reputation. This needs to be re-built, with the planned insourcing of the DD collection process part of this approach.
12	Business plans do not achieve objectives	Given the ongoing cost of living crisis and the subsequent impact on customers and their levels of disposable income.
13	IT systems failure/ breaches	This reflects both changes in internal processes and also the risk of the Charity facing cyber-attack.
14	Competitors	Competitors opening in the local area and Market Management in mitigation
15	Major incident (e.g. H&S incident, fire, terrorist attack, etc.)	Increased risk as cost pressures continue to ensure that required checks, training, etc are undertaken.

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 across key operational areas. Follow-up audits are then undertaken as necessary.

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

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

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

Auditor

The Charity's Auditor's were reconsidered with an approach led by KAL's Audit Committee and then ratified by the KAL Board at their March 2022 KAL Board meeting, where Simpson Wood were appointed as KAL's new Auditors from the 2021/22 financial year and have again been commissioned to audit KAL for the 2023/24 financial year.

This Trustees' Report, including the Strategic Report, was approved by the Board on 18th September 2024 and signed on its behalf by:

D Stephenson
Chair of the Trustees

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2024
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.

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 2024 which comprise the group and parent charitable company: statement of financial activities; the balance sheet; cashflow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, for the year ended; and
- have been properly prepared in accordance with United Kingdom General Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Charities Act 2011 and Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of financial statements* section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

This year as per the statement of financial activity a small surplus was incurred during the year both at a group and company level, prior to recognising the pension movement. Both the group and the company ended the year with a surplus of current assets compared to current liabilities. The trustees'' assessment of going concern and their rationale for preparing the financial statements on that basis is set out at note 1(q) on page 35.

In auditing the financial statements, we have concluded the trustees' use of 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 doubt on the group and parent charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 the trustees' report (including directors' report and strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report (or the strategic report)included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the parent charitable company, including Charities Act 2011, Charities (accounts and Reports) Regulation 2008, Companies Act 2006, data protection and anti-bribery legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations and.
- performed analytical procedures to identify any unusual or unexpected relationships.

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance and;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Simpson Wood Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section1212 of the Companies Act 2006.

Use of our report

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



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

Chartered Accountants
Statutory Auditor

Bank Chambers
Market Street
Huddersfield
HD1 2EW

Dated: 18 September 2024

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

Notes		2024 Unrestricted funds £	2024 Restricted Funds £	2024 Total £	2023 Total £
	Income and endowments from:				
2	Charitable activities	13,988,181	-	13,988,181	13,965,617
3	Other trading activities	310,468	-	310,468	279,949
4	Investments	132,966	-	132,966	71,260
5	Other	3,035,867	45,886	3,081,753	2,980,620
	Total income	17,467,482	45,886	17,513,368	17,297,446
	Expenditure on:				
6	Raising funds	274,167		274,167	269,454
6	Charitable activities	16,922,282	37,553	16,959,835	19,946,404
	Total expenditure	17,196,449	37,553	17,234,002	20,215,858
	Net income/(expenditure)	271,033	8,333	279,366	(2,918,412)
	Other recognised gains/(losses):				
24	Re-measurement gain/(loss) on defined benefit pension scheme	2,910,000	-	2,910,000	19,156,000
	Net movement in funds before tax	3,181,033	8,333	3,189,366	16,237,588
	Corporation tax charge on subsidiary	(942)	-	(942)	1,297
21	**Net movement in funds after tax**	3,180,091	8,333	3,188,424	16,238,885
	Reconciliation of funds:				
21	Total funds brought forward	1,375,232	135,507	1,510,739	(14,728,146)
21	**Total funds carried forward**	4,555,323	143,840	4,699,163	1,510,739

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)

Notes		2024 Unrestricted funds £	2024 Restricted Funds £	2024 Total £	2023 Total £
	Income and endowments from:				
2	Charitable activities	13,988,181	-	13,988,181	13,965,617
3	Other trading activities	52,858	-	52,858	38,274
4	Investments	131,481	-	131,481	70,795
5	Other	3,035,867	45,886	3,081,753	2,980,620
	Total income	17,208,387	45,886	17,254,273	17,055,306
	Expenditure on:				
6	Charitable activities	16,941,140	37,553	16,978,693	19,967,278
	Total expenditure	16,941,140	37,553	16,978,693	19,967,278
	Net income/(expenditure)	267,247	8,333	275,580	(2,911,972)
	Other recognised gains/(losses):				
24	Re-measurement gain/(loss) on defined benefit pension scheme	2,910,000	-	2,910,000	19,156,000
	Net movement in funds	3,177,247	8,333	3,185,580	16,244,028
	Reconciliation of funds:				
21	Total funds brought forward	1,377,749	135,507	1,513,256	(14,730,772)
21	**Total funds carried forward**	4,554,996	143,840	4,698,836	1,513,256

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 2024

Notes		2024 £	2023 £
	Fixed assets		
13	Tangible assets	946,754	1,518,846
		946,754	1,518,846
	Current assets		
15	Stocks	-	25,414
16	Debtors	263,693	410,979
	Cash at bank and in hand	2,869,626	1,942,753
		3,133,319	2,379,146
17	**Creditors:** amounts falling due within one year	(2,804,910)	(3,172,472)
	Net current assets	328,409	(793,326)
	Total assets less current liabilities	1,275,163	725,520
18	**Creditors:** amounts falling due after more than one year	-	-
20	**Provision for liabilities**	-	(781)
	Net assets excluding pension liability	1,275,163	724,739
24	**Defined benefit pension liability**	3,424,000	786,000
	Net (liabilities)	4,699,163	1,510,739
	Charity Funds		
	Unrestricted funds excluding pension deficit	1,130,996	591,749
	Charity Trading Subsidiary	327	-2,517
	Designated funds	-	-
	Total unrestricted funds before pension deficit	1,131,323	589,232
24	**Pension deficit**	3,424,000	786,000
21	**Total unrestricted funds**	4,555,323	1,375,232
21	**Restricted funds**	143,840	135,507
	Total charity deficit	4,699,163	1,510,739

The financial statements were approved and authorised by the Board on 18th September 2024.
The notes on pages 31 to 49 form part of these financial statements.
Signed on behalf of the board of trustees

D Stephenson

D Stephenson - Chair of the Trustees

CHARITY BALANCE SHEET AS AT 31 MARCH 2024

Notes		2024	2023
		£	£
	Fixed assets		
13	Tangible assets	945,246	1,511,427
14	Investments	2	2
		945,248	1,511,429
	Current assets		
15	Stocks	-	25,414
16	Debtors	320,512	452,973
	Cash at bank and in hand	2,833,714	1,922,559
		3,154,226	2,400,946
17	**Creditors:** amounts falling due within one year	(2,824,638)	(3,185,119)
	Net current assets	329,588	(784,173)
	Total assets less current liabilities	1,274,836	727,256
18	**Creditors:** amounts falling due after more than one year	-	-
	Net assets excluding pension liability	1,274,836	727,256
24	**Defined benefit pension liability**	3,424,000	786,000
	Net (liabilities)	4,698,836	1,513,256
	Charity Funds		
	Unrestricted funds excluding pension deficit	1,130,996	591,749
	Designated funds	-	-
	Total unrestricted funds before pension surplus	1,130,996	591,749
24	**Pension surplus**	3,424,000	786,000
21	**Total unrestricted funds**	4,554,996	1,377,749
21	**Restricted funds**	143,840	135,507
	Total charity surplus	4,698,836	1,513,256

The financial statements were approved and authorised by the Board on 18th September 2024.
The notes on pages 31 to 49 form part of these financial statements.
Signed on behalf of the board of trustees

D Stephenson

D Stephenson - Chair of the Trustees

CONSOLIDATED CASH FLOW STATEMENT

for the year ended

31 MARCH 2024

Notes		2024 £	2023 £
22	**Net cash flow from operating activities**	863,984	(1,355,012)
	Cash flow from investing activities		
	Payments to acquire tangible fixed assets	(103,287)	(807,528)
	Receipts from sales of tangible fixed assets	34,121	93,600
	Interest received	132,966	71,260
	Net cash flow from investing activities	63,800	(642,668)
	Cash flow from financing activities		
	Repayment of finance lease liabilities	-	-
	Interest paid	-	-
	Net cash flow from financing activities	-	-
	Net increase/(decrease) in cash and cash equivalents	927,784	(1,997,680)
	Cash and cash equivalents at 1 April 2023	1,941,842	3,939,521
	Cash and cash equivalents at 31 March 2024	2,869,626	1,941,841
	Cash and cash equivalents consists of:		
	Cash at bank and in hand	2,869,626	1,942,753
	Bank overdraft	-	(912)
	Cash and cash equivalents at 31 March 2024	2,869,626	1,941,841

CHARITY CASH FLOW STATEMENT

for the year ended

31 MARCH 2024

Notes		2024 £	2023 £
22	**Net cash flow from operating activities**	848,840	(1,367,981)
	Cash flow from investing activities		
	Payments to acquire tangible fixed assets	(103,287)	(807,528)
	Receipts from sales of tangible fixed assets	34,121	93,600
	Interest received	131,481	70,795
	Net cash flow from investing activities	62,315	(643,133)
	Cash flow from financing activities		
	Repayment of finance lease liabilities	-	-
	Interest paid	-	-
	Net cash flow from financing activities	-	-
	Net increase/(decrease) in cash and cash equivalents	911,155	(2,011,114)
	Cash and cash equivalents at 1 April 2023	1,922,559	3,933,673
	Cash and cash equivalents at 31 March 2024	2,833,714	1,922,559
	Cash and cash equivalents consists of:		
	Cash at bank and in hand	2,833,714	1,922,559
	Bank overdraft	-	-
	Cash and cash equivalents at 31 March 2024	2,833,714	1,922,559

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) Impairment of Fixed Assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(i) Investments

Investments are measured at cost less impairment.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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 2025 and the indicative funding for the following years to 31 March 2027. 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

	2024	2023
	£	£
Sale of goods and services	13,988,181	13,965,617
	13,988,181	13,965,617

Income from charitable activities was £13,988,181 (2023: £13,965,617) of which £nil (2023: £nil) was attributable to restricted and £13,988,181 (2023: £13,965,617) was attributable to unrestricted funds.

3 Income from other trading activities

Group

	2024	2023
	£	£
Trading subsidiary turnover	310,468	279,949

Income from other trading activities was £310,468 (2023: £279,949) which was all attributable to unrestricted funds.

Charity

	2024	2023
	£	£
Management charge received from subsidiary	18,858	20,874
Deed of gift from subsidiary	34,000	17,400
	52,858	38,274

4 Income from investments

	Group 2024	Charity 2024	Group 2023	Charity 2023
	£	£	£	£
Interest	132,966	131,481	71,260	70,795

Group income from investments was £132,966 (2023: £71,260) which was all attributable to unrestricted funds.

5 Other income – Group and Charity

	2024	2023
	£	£
Funding provided by Kirklees Metropolitan Council	3,035,867	2,962,870
Sports and Leisure Funding	45,886	17,750
	3,081,753	2,980,620

Other income was £3,081,753 (2023: £2,980,620) of which £3,035,867 (2023: 2,962,870) was attributable to unrestricted funds and £45,886 (2023: £17,750) was attributable to restricted funds.

6 Analysis of expenditure

Group

Raising funds	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Trading subsidiary expenses	107,595	141,803	5,911	18,858	274,167
Charitable activities					
Staff costs	6,397,194			4,668,161	11,065,355
Transport costs		2,764		486,595	489,359
Premises costs		1,914,848		232,807	2,147,655
Supplies & services	-55,000	1,373,432	669,468	1,000,131	2,988,031
Kirklees Metropolitan Council service level agreements		276		269,159	269,435
	6,323,336	3,291,320	669,468	6,656,853	16,959,835
Total resources expended	6,430,931	3,433,123	675,379	6,675,711	17,234,002

Expenditure on raising funds was £274,167 (2023: £269,454) all of which was attributable to unrestricted funds. Expenditure on charitable activities was £16,959,835 (2023: £19,946,404) of which £37,553 (2023: £111,685) was attributable to restricted and £16,922,282 (2023: £19,855,593) was attributable to unrestricted funds.

Charity	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Charitable activities					
Staff costs	6,397,194			4,687,019	11,084,213
Transport costs		2,764		486,595	489,359
Premises costs		1,914,848		232,807	2,147,655
Supplies & services	-55,000	1,373,432	669,468	1,000,131	2,988,031
Kirklees Metropolitan Council service level agreements		276		269,159	269,435
	6,342,194	3,291,320	669,468	6,675,711	16,978,693
Total resources expended	6,342,194	3,291,320	669,468	6,675,711	16,978,693

Expenditure on charitable activities was £16,978,693 (2023: £19,967,278) of which £37,553 (2023: £111,685) was attributable to restricted and £16,922,282 (2023: £19,855,593) was attributable to unrestricted funds.

7 Allocation of support costs

Group	Raising funds	Charitable Activities	Total
	£	£	£
Staff costs	18,858	4,668,161	4,687,019
Transport costs	-	486,595	486,595
Premises costs	-	232,807	232,807
Supplies and services	-	1,000,131	1,000,131
Kirklees Metropolitan Council service level agreements	-	269,159	269,159
Total	18,858	6,656,853	6,675,711

Charity	Charitable Activities	Total
	£	£
Staff costs	4,687,019	4,687,019
Transport costs	486,595	486,595
Premises costs	232,807	232,807
Supplies and services	1,000,131	1,000,131
Kirklees Metropolitan Council service level agreements	269,159	269,159
Total	6,675,711	6,675,711

8 Audit fees – Group and Charity

	2024	2023
	£	£
Auditor's remuneration – statutory audit	20,000	17,000

The above costs are attributable to unrestricted funds.

9 Net (expenditure) for the year

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

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Depreciation of tangible fixed assets	675,379	669,468	586,133	578,694
Gain on sale of tangible fixed assets	(34,121)	(34,121)	(93,600)	(93,600)
Operating lease rentals	131,499	131,499	205,457	205,457

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 £323,918 (2023: £312,222). The trust considers its key management personnel comprise of the Strategic Leadership Team which includes the Chief Executive and the Deputy Chief Executive. The remuneration of senior staff is reviewed annually by the Kirklees Active Leisure Remuneration Committee.

The reimbursement of trustees' expenses was as follows:

	2024 Number	2023 Number	2024 £	2023 £
Travel	-	1	-	65

11 Staff costs and employee benefits

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

	2024 Number	2024 FTE	2023 Number	2023 FTE
Charitable activities	596	265.0	659	305.7
Raising funds	30	3.7	22	3.9
	626	268.7	681	309.6

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

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Wages and salaries	8,381,753	8,297,838	8,925,422	8,850,003
Social security	569,610	568,231	623,685	621,953
Defined benefit pension operating costs	1,008,397	1,004,954	2,853,573	2,848,500
Other payroll costs	651,832	651,832	99,657	99,657
Self-employed instructors	561,358	561,358	524,534	524,534
	11,172,950	11,084,213	13,026,871	12,944,647

11 Staff costs and employee benefits (continued)

The total amount of employee redundancy or termination payments relating to the reporting period is £586,063 (2023: £13,708). 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:

	2024 Number	2023 Number
£90,001 - £100,000	1	-
£80,001 - £90,000	-	1
£70,001 - £80,000	-	-
£60,001 - £70,000	1	1

12 Interest payable and similar charges – Group and Charity

	2024 £	2023 £
Interest on defined benefit pension liability	(55,000)	418,000
	(55,000)	418,000

13 Tangible fixed assets

Group	Plant and equipment £	Fixtures and Fittings £	Total £
Cost:			
At 1 April 2023	3,615,726	1,483,063	5,098,789
Additions	86,151	17,136	103,287
Reclassification	95,181	(95,181)	0
Disposals		(8,674)	(8,674)
At 31 March 2024	3,797,058	1,396,344	5,193,402
Depreciation:			
At 1 April 2023	2,522,215	1,057,728	3,579,943
Charge for the year	393,351	282,028	675,379
Reclassification	95,181	(95,181)	0
On disposals		(8,674)	(8,674)
At 31 March 2024	3,010,747	1,235,901	4,246,648
Net Book value:			
At 31 March 2023	1,089,914	421,512	1,511,426
At 31 March 2024	786,310	160,444	946,754

13 Tangible fixed assets (continued)

Charity	Plant and equipment	Fixtures and fittings	Total
	£	£	£
Cost:			
At 1 April 2023	3,603,038	1,402,706	5,005,744
Additions	86,151	17,136	103,287
Reclassification	95,181	(95,181)	0
Disposals		(8,674)	(8,674)
At 31 March 2024	3,784,370	1,315,987	5,100,357
Depreciation:			
At 1 April 2023	2,513,124	981,193	3,494,317
Charge for the year	391,263	278,205	669,468
Reclassification	95,181	(95,181)	0
On disposals		(8,674)	(8,674)
At 31 March 2024	2,999,568	1,155,543	4,155,111
Net Book value:			
At 31 March 2023	1,089,914	421,513	1,511,427
At 31 March 2024	784,802	160,444	945,246

14 Fixed asset investments

Charity	Equity in subsidiary undertaking	Total
	£	£
Cost:		
At 1 April 2023 and 31 March 2024	2	2
Carrying amount:		
At 31 March 2024	2	2
At 1 April 2023	2	2

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:

	2024	2023
	£	£
Turnover	310,468	279,949
Cost of sales	(119,541)	(113,685)
Gross profit	190,927	166,264
Administration expenses	(135,768)	(134,895)
Management charge paid to Kirklees Active Leisure	(18,858)	(20,874)
Other operating income		
Interest receivable & similar income	1,485	465
Net profit	37,786	10,960
Deed of gift to Kirklees Active Leisure	(34,000)	(17,400)
Tax on profit on ordinary activities	-942	1,297
	2,844	(5,143)

The assets and liabilities of the subsidiary were:

Assets	85,908	116,237
Liabilities	(85,579)	(118,752)
Total net assets	329	(2,515)
Aggregate share capital and reserves	329	(2,515)

15 Stocks – Group and Charity

	Group 2024	Charity 2024	Group 2023	Charity 2023
	£	£	£	£
Consumables	0	0	5,032	5,032
Goods for resale	0	0	20,382	20,382
	0	0	25,414	25,414

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

16 Debtors

	Group 2024	Charity 2024	Group 2023	Charity 2023
	£	£	£	£
Trade debtors	146,023	146,023	128,554	88,018
Amounts owed by subsidiary	-	60,890	-	87,635
Other debtors	4,071	-	3,305	-
Prepayments	85,571	85,571	195,827	194,027
Accrued income	28,028	28,028	83,293	83,293
	263,693	320,512	410,979	452,973

17 Creditors: amounts falling due within one year

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Bank loans and overdrafts	-	-	912	-
Trade creditors	544,067	540,400	192,716	185,816
Amounts owed to subsidiary	-	44,418	-	42,983
Other tax and social security	209,110	200,087	231,168	217,577
Other creditors	342,413	334,313	363,727	355,727
Accruals and deferred income	1,709,320	1,705,420	2,383,949	2,383,016
	2,804,910	2,824,638	3,172,472	3,185,119

18 Leases – Group and Charity

Operating leases – lessee

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

Leases expiring:	2024 £	2023 £
Later than one and not later than five years	-	20,056
Later than five years	-	-
	-	20,056

19 Deferred taxation

The movement in the deferred tax provision during the year was:	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Provision brought forward	781	-	2,078	-
Profit and loss account movement during the year	(781)	-	(1,297)	-
Provision carried forward	-	-	781	-

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

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Fixed asset timing differences	-	-	877	-
Tax Losses	-	-	(96)	-
	-	-	781	-

20 Fund reconciliation

Unrestricted funds - Group

	Balance at 01-Apr-23 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31-Mar-24 £
Unrestricted	1,375,232	17,467,482	(17,197,391)	2,910,000	4,555,323
Designated funds	-	-	-	-	-
	1,375,232	17,467,482	(17,197,391)	2,910,000	4,555,323

Unrestricted funds - Charity

	Balance at 01-Apr-23 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31-Mar-24 £
Unrestricted	1,377,749	17,208,387	(16,941,140)	2,910,000	4,554,996
Designated funds	-	-	-	-	-
	1,377,749	17,208,387	(16,941,140)	2,910,000	4,554,996

Restricted funds – Group and Charity

	Balance at 01-Apr-23 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31-Mar-24 £
Restricted	135,507	45,886	(37,553)	-	143,840

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 project expenses. 2023 income is made up of small some sports grants

21 Analysis of net assets between funds

	Unrestricted		Restricted		Total	
	Group	Charity	Group	Charity	Group	Charity
	£	£	£	£	£	£
Fixed assets	946,754	945,246	-	-	946,754	945,246
Investments	-	2	-	-		2
Net current assets	184,569	185,748	143,840	143,840	328,409	329,588
Creditors: more than one Year	-	-	-	-	-	-
Pension liability	3,424,000	3,424,000	-	-	3,424,000	3,424,000
Total	4,555,323	4,554,996	143,840	143,840	4,699,163	4,698,836

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

Group	2024	2023
	£	£
Net (expenditure) for the year	279,366	(2,918,412)
Interest (receivable)/payable	(132,966)	(71,260)
Depreciation of tangible fixed assets	675,379	586,133
Profit on disposal of fixed assets	(34,121)	(93,600)
Corporation tax paid	-	-
Pension funding	272,000	2,534,000
(Increase)/decrease in stock	25,414	592
(Increase)/decrease in debtors	147,286	19,292
Increase/(decrease) in creditors	(368,374)	(1,411,757)
Net cash flow from operating activities	863,984	(1,355,012)
Charity		
Net (expenditure) for the year	275,580	(2,911,972)
Interest (receivable)/payable	(131,481)	(70,795)
Depreciation of tangible fixed assets	669,468	578,694
Profit on disposal of fixed assets	(34,121)	(93,600)
Pension funding	272,000	2,534,000
(Increase) in stock	25,414	592
(Increase)/decrease in debtors	132,461	47,166
Increase/(decrease) in creditors	(360,481)	(1,452,066)
Net cash flow from operating activities	848,840	(1,367,981)

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 2022.

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

	2024	2023
	£	£
Contributions	823,000	716,000
Current service cost	(1,022,000)	(2,832,000)
Past service cost	(128,000)	-
Net interest expense	55,000	(418,000)
Recognised in net expenditure	(272,000)	(2,534,000)
Recognised in other gains/(losses)	2,910,000	19,156,000
Total credit/(cost) recognised	2,638,000	16,622,000

Amounts recognised in the balance sheet were as follows:

	2024	2023
	£	£
Present value of funded obligations	(30,734,000)	(30,425,000)
Fair value of plan assets	34,158,000	31,211,000
	3,424,000	786,000

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

	2024	2023
	£	£
Opening defined benefit obligation	30,425,000	46,335,000
Current service cost	1,022,000	2,832,000
Past service cost	128,000	-
Interest expense	1,387,000	1,251,000
Actuarial (gains)/loss	(1,665,000)	(19,930,000)
Contributions by scheme participants	386,000	413,000
Benefits paid	(949,000)	(476,000)
Closing defined benefit obligation	30,734,000	30,425,000

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:

	2024	2023
	£	£
Opening plan assets	31,211,000	30,499,000
Interest income	1,442,000	833,000
Re-measurement gains on assets	1,245,000	(774,000)
Contributions by charity	823,000	716,000
Contributions by scheme participants	386,000	413,000
Benefits paid	(949,000)	(476,000)
Closing plan assets	34,158,000	31,211,000

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

	2024	2023
Equities	79.40%	80.80%
Government funds	8.50%	6.90%
Corporate funds	4.20%	4.60%
Property	2.80%	3.30%
Cash	1.80%	2.30%
Other assets	3.30%	2.10%
	100.00%	100.00%

The return on plan assets was as follows:

	2024	2023
	£	£
Interest income	1,442,000	833,000
Gain/(loss) on plan assets (excluding interest income)	1,245,000	(774,000)
Total return on plan assets	2,687,000	59,000

The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate	4.70%	4.60%
Expected rates of salary increases	3.75%	3.85%
Expected rates of pension increases	2.50%	2.60%
Expected rate of inflation – RPI	2.50%	2.60%
Expected rate of inflation – CPI	2.50%	2.60%

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:

	2024	2023
Retiring at the balance sheet date		
- Males	21	21.6
- Females	24.2	24.6
Retiring in 20 years		
- Males	22.3	22.9
- Females	25.2	25.7

Scheme liabilities would have been affected by changes in the assumptions as follows:

	2024	2023
Discount rate +0.1%	(738)	(761)
Discount rate -0.1%	768	761
Mortality assumption +1 year	(799)	(791)
Mortality assumption -1 year	768	791
Salaries +0.1%	(61)	(61)
Salaries -0.1%	61	61

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	22,001	-
Azure Consulting, a company controlled by a trustee	3,900	-
Kirklees Stadium Development Ltd, whose company secretary is a trustee	147,823	-
At 31 March 2024	177,524	-
At 31 March 2023	187,966	12,023

These transactions have been undertaken on normal commercial terms.

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

- £120 was received from Kirklees Youth Alliance for room hire, an organisation connected to A I Brown (CE)
- £3,510,330 received from Kirklees Council, £269,435 of services purchased under service level agreements with Kirklees Council and payment made by KAL of £479,447 payment against financing charges. The Articles of Association allow the Council to appoint up to two Trustees. Trustees M S Thompson and M.S. Sokhal are Councillors for Kirklees Council and the appointed Council Trustees for KAL.

25 Financial Commitments

Financial Commitments to Kirklees Council

	2024	2023
	£	£
Outstanding contributions to facility improvements KAL	3,639,593	5,034,592
Outstanding contributions to facility improvements KALT	-	15,000

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.

DETAILED CHARITABLE EXPENDITURE (including Governance Expenditure)

	2024		2023	
	£	£	£	£
Staff costs				
Salaries	5,699,613		5,991,955	
Wages	3,367,280		3,706,916	
Teachers	477,130		505,585	
Self-employed instructors	561,358		524,534	
Indirect employee costs	651,832		99,657	
Current year pension charge	327,000		2,116,000	
		11,084,213		12,944,647
Transport costs		489,359		428,734
Premises costs				
Repairs and maintenance	938,975		1,450,434	
Electricity	106,822		150,664	
Gas	0		2,359	
Water	194,602		185,143	
Energy savings works	248,896		175,456	
Other utility costs	3,035		3,035	
Rent	121,836		195,083	
Insurance	102,758		92,905	
Water treatment	115,557		114,545	
Non-recreational equipment	35,082		59,840	
Rates	29,094		33,412	
Other	250,998		252,178	
		2,147,655		2,715,054
Supplies and services				
Equipment	135,642		310,075	
Marketing	151,681		190,094	
IT	359,630		319,479	
Postage, printing and stationery	27,596		33,554	
Communications	24,576		27,019	
Resale items	121,836		106,825	
Depreciation	669,468		578,694	
Kirklees Metropolitan Council finance charges	479,447		479,445	
Professional Fees	278,125		282,809	
Licences	186,022		173,825	
Financial	18,622		429,635	
Irrecoverable VAT	495,422		612,352	
Other	39,964		71,974	
		2,988,031		3,615,780
Kirklees Metropolitan Council service level agreements		269,435		263,063
Total expenditure		16,978,693		19,967,278

KIRKLEES ACTIVE LEISURE

England & Wales - Charity number 1091226

Accounts

KIRKLEES ACTIVE LEISURE

FINANCIAL STATEMENTS

31 MARCH 2023

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Company registration number: **4331165**
Registered charity number: **1091226**

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2023
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 2023. The Trustees have adopted the provisions of the statement of recommended practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

CHARITY NUMBER
1091226

COMPANY NUMBER
4331165

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

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

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

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

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

CHAIRPERSON
D. Stephenson

CHIEF EXECUTIVE
A.I. Brown

TRUSTEES
J.A. Briggs
M.T. Hudson
Cllr. M.S. Sokhal
S.M. Sopala - *resigned 21 September 2022*
B.C. Stahelin
B. Uppal – *appointed 21 September 2022*
J.S. Fletcher
S. Ahmed – *resigned 18 May 2023*
S. Alderson
P. Kemp
Cllr. M.S. Thompson

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 the only benefit they receive from the Charity is access to the KAL staff membership scheme, in line with all other volunteers working with KAL, allowing low cost access to the leisure facilities managed by the Trust, which is felt to be appropriate given the form of organisation and the need for Trustees to be aware of the services provided.

In line with KAL's conflict of interest's policy, Memorandum and Articles of Association and following discussion at the July 2022 KAL Board meeting, it was agreed that one of the Trustees should be allowed to receive financial reimbursement for facilitation services provided to KAL's senior staff group. This arrangement is noted at each subsequent KAL Board meeting.

Any reasonable expenses reclaimed by Trustees from the Charity are set out in the financial statements.

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

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

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

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

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

At the annual Trustees half away day, in November 2022, the Trustees took part in a safeguarding training session and were also briefed regarding the local health & wellbeing strategy. The Board also received an Equality, Diversity & Inclusion awareness training session as part of their March 2022 Board meeting.

Board performance review
The Trustees had previously undertaken a review of the Charity's governance in June 2017, with areas for improvement identified and now implemented. A further governance review is planned to be undertaken, commencing in April 2023.

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 up to 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 2022/23 financial year saw KAL continue to recover from the considerable impact of the Covid-19 pandemic. Significant financial support from Kirklees Council continued to be received, while some positive progress was made towards pre-Covid income levels across the products provided by the Charity.

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

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

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
KAL introduced a new and improved 121 system for staff in Autumn 2022, as an important staff communication tool, to try to consider and support the overall health & wellbeing of staff, their career development and so forth.

Regular team meetings take place, both at each KAL site and across the head office teams. The annual staff survey was again undertaken, providing useful feedback to be considered and used to improve engagement with staff where possible. Further staff roadshows were undertaken in May and November 2022, which were attended by a range of staff from across the organisation, providing the opportunity for staff to receive updates regarding the Charity and to take part in workshop sessions.

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

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

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

In the year ending March 2023, KALT made a pre-tax profit of £10,960 (2022: £7,697 pre-tax loss) and made a gift aid payment back to the parent Charity of £17,400 (2022: £nil) resulting a £5,143 loss after the gift aid and tax on profit (2022: £6,235 loss).

Objects and Activities
The objects of the Charity are:

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

those persons using such facilities and services."

The objects of the Charity contribute to a range of charitable purposes, as outlined within the Charities Act 2006, as follows. During 2022/23, the Charity continued to recover post the impact of Covid-19, while significant new challenges also began to impact upon the Charity, including the considerable increase in energy costs, the ongoing and significant increase in staff costs (largely due to continuing National Living Wage (NLW) increases and to the onset of high levels of inflation, which were reflected in major increases in the cost of KAL's various suppler costs.

Charitable purpose -	Example of activity -
The advancement of education	- The Charity delivers the local school swimming service to 146 local schools. The new, more intensive programme introduced in 2021/22, with longer swim lesson sessions over fewer weeks, has proved to be successful, with outcomes improving again after an expected decline as a result of Covid-19. - KAL's own learn to swim swimming lesson programme continued to recover with almost 7000 young people taking part in regular swimming lessons again by the end of 2022/23. - Swim lesson provision overall was enhanced by the opening of a new leisure centre in February 2022 – Spen Valley Leisure Centre, with the new site providing considerable scope for increased swimming lesson provision. - KAL continued to provide a tennis coaching programme, offering tennis development opportunities for young people. - All activities were again available to all groups of the local community, with pricing discounts provided via the local Kirklees Passport scheme. - KAL staff undertook training in a wide range of aspects, including health & safety, safeguarding, KAL's corporate induction, revised site inductions, equality, diversity & inclusion, conflict management, etc., as well as further ongoing training for frontline staff and higher-level training provided for managers via the National Pool Managers and National Pool Supervisors Qualifications.
The advancement of health	- KAL continued to progress our new strategic direction as a preventative health & wellbeing provider, to encourage the inactive to be active and appeal to a wider customer base. - A number of core products continued to be delivered, including exercise referral schemes and a recommendation scheme, "First Steps To Fitness", which targeted those who had been inactive for at least the previous 12 months and provided them with a more supportive induction process to make use of the KAL sites and to hopefully embed the healthy habit of being more physically active. - Targeted demographic approaches were also introduced for pre/post natal women and older people, where the range of KAL products suitable for these population groups were packaged together and promoted through a range of local agencies. - KAL continues to develop our partnership with the University of

Charitable purpose -	Example of activity -
	Huddersfield, to both ensure the impact of KAL's products are effectively measured, but also across a range of other developments linked to the University's Health and Wellbeing Academy developments. Placements, health checks, the development of a joint PhD role, etc are all being progressed to hopefully introduce in later months.
The advancement of citizenship and community development	- The Partnership Framework, jointly agreed by the Charity and Kirklees Council in 2021, continued to be embedded where resources allowed, with the above referenced health & wellbeing activities as a key example of this. - Free fitness membership for Care Leavers and targeted other individuals continues to be provided.
The advancement of amateur sport	- The Charity continues to work closely with several significant local sports clubs that make use of the facilities managed by the Charity. This includes athletics clubs; a range of swimming clubs; a tennis club; a golf club; and a major local community football club (Howden Clough AFC). - KAL is a key partner on the local strategic partnership for sport and wider physical activity- "Everybody Active" and the Kirklees Active Schools sub-group. - KAL also hosts local multi-sports VCS organisations, assisting them where possible. - However, given KAL's continuing difficult financial position much of this work is at risk, with KAL having to make some difficult decisions in terms of available space and trying to provide programmes of use across the KAL managed sites that are suitable for all parties.
The advancement of environmental protection or improvement	- Reducing CO2 emissions and being as efficient as possible with energy consumption continues to be a key component of KAL's approach, with considerable investment continuing to be made to ensure emissions remain low for the type of organisation and facilities operated. - Energy pressures in particular for KAL's swimming pool facilities has been a major challenge for the Charity which has added considerable strain to the Charity's financial position.
The relief of those in need, by reason of youth, age, ill health, disability, financial hardship or other disadvantage	- Discounted pricing, accessible facilities and the breadth of activity opportunity on offer ensure that KAL is accessible to various customer groups across the Kirklees community. - Examples include the free fitness membership offer highlighted above for Care Leavers, etc, while the Charity also support worthy local groups, such as with disadvantaged young parents and their families from the local Home-Start group and supporting them to make use of their local leisure facilities. KAL's support of the Uniform Exchange scheme, where collection points in KAL sites allow customers to pass to Uniform Exchange school uniforms to re-cycle to those most in need, and of the local Forget Me Not Children's Hospice and Kirklwood Hospice and their excellent Snowdog initiative (a public art trail across the local area, with KAL as one of the key partners involved) are further examples of

Charitable purpose -	Example of activity -
	where KAL support those in need.

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

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

KAL identifies two headline challenges within its' corporate strategy -

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

Given the huge impact of Covid-19 and its' impact upon KAL's finances and now, the considerable impact of high energy prices, ongoing major increases in staffing costs and the high rate of inflation, the second headline challenge regarding KAL remaining financial sustainable will not be achieved without the continuing significant financial support from Kirklees Council. The Charity's expenditure is increasing at a far faster rate than the Charity can develop its income base, inevitably leading to an insolvent position at some point in the coming years without the financial support of the Council.

This has therefore required the Charity to work ever more closely with the Council to try to seek confirmation of their ongoing financial support and for the Charity to undertake some very difficult and challenging decisions to reduce its' costs and to try to remain viable.

The Strategy has 3 Aims:

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

	possible. KAL will continue to operate as efficiently as possible, offering great value for money, ensuring robust financial planning, resource, sustainability and energy management, investing in the local leisure facilities we look after.

Ensuring our work delivers our Strategic Aims
The 2021-2025 KAL Corporate Strategy and the 3 Aims above try to ensure that the Charity remains focused on delivering against its stated purpose and objects where possible.

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

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

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

Who used and benefited from our services?
The facilities operated by the Charity received more than 2.5m million customer visits from across the entire community spectrum of Kirklees during 2022/23, a considerable increase from the 1.9m customer visits the Charity received in 2021/22 and moving back towards the level of pre-Covid customer use of the KAL sites, where c.2.7 million customer visits took place during 2019/20.

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

- Older people (60+)
- Young people (up to age 16)
- Women and girls
- Those with a disability
- The financially disadvantaged

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, while fees have had to be reconsidered and increased where necessary due to the financial position of KAL and the high current rate of inflation, a range of specific programmes and concessionary rates continue to be made available and actively promoted to try to encourage participation and ensure that the services provided are affordable to everyone. A key means of doing this is the acceptance of the Council's "Kirklees Passport" at all sites operated by the Charity, which entitles the holder to a significant price discount. Some targeted provision, e.g. fitness memberships for local Care Leavers, are provided completely free of charge.

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

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

While the Charity has very limited outreach capacity, it works closely with other local partners, such as Kirklees Council, Third Sector Leaders (Kirklees) (the umbrella organisation for the local VCSE sector) and Kirklees Youth Alliance, the umbrella organisation for the local VCSE youth providers, to encourage new customer groups to make use of the sites looked after by the Charity.

In addition, through the separate subsidiary company, Kirklees Active Leisure Trading Limited (KALT), a catering and vending service is provided by 3rd parties commissioned by KALT. Some limited health spa provision continues to be provided by KALT directly as well as a café at one of the Charity's facilities.

The Charity is committed to equality of opportunity where possible 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.

In October 2022 KAL were awarded the Inclusive Employers Bronze standard award, a fantastic achievement for the Charity and a demonstration of our commitment to equality, diversity & inclusion and testament to the progress made. An action plan is now being developed to try to ensure the Charity continues to progress this important aspect.

However, the financial position of the Charity has meant that some very difficult decisions have had to be made which have reduced the Charity's ability to offer services, as outlined below within the "Summary of future plans" section.

The Charity continues to generally enjoy a largely positive relationship with Kirklees Council, as the Charity's host local authority, working in partnership with the Council to try to address the considerable challenges faced.

The ongoing and considerable financial support for the Charity, due to Covid-19 and now also energy increases, NLW related staffing costs and high inflation, from the local authority has been key in maintaining the Charity's solvency, but whether such levels of support can continue are unlikely, with major changes likely to be required to KAL's operating model if it is to survive.

Strong partnerships continue with several National Governing Bodies of sports, Third Sector Leaders – Kirklees, KYA, the University of Huddersfield and a range of other local partners across the public, private and voluntary sectors.

KAL plays an important role with the Everybody Active local strategic partnership for sport and wider physical activity and the Kirklees Active Schools group, although both groups have struggled to make positive progress during 2022/23 due to several factors.

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

KAL also works to support and, where possible, fundraise, for a wide range of local and national charities throughout the course of the year, such as the local hospices, Uniform Exchange, etc.

Consultation

KAL resumed with our annual customer survey in April 2022, with over 2,700 customers completing the survey. The overall results were slightly down from the last survey (2019), but still considered relatively positive given the challenging position facing the Charity and the measures that have had to be taken during 2022/23. For example –

- Overall customer satisfaction was rated as 77.1 (compared to 79.6 in 2019)
- Value for money was rated 78.6 (compared to 80.4 in 2019)

The results for how making use of one of the Charity's sites made people feel, from a health & wellbeing perspective, was positive, with an index of 82.8 for use making customers feel healthier; 72 for feel more confident; 77.9 for happier; and 78 for improving their quality of life.

As well as the annual customer survey, the Charity also receives daily Net Promoter Score feedback from a range of customers, as well as receiving ad hoc feedback via our various communication channels.

Benefits of participation

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

- **Health benefits:** The primary benefit of taking part in the activities provided by the Charity relates to improving the health, wellbeing and quality of life of individuals (as reflected in the customer survey feedback noted above). 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 variety of sports and other leisure activities. Swim Teaching courses

are held by the Charity on a regular basis, both for the Charity's own staff and external attendees. Lifeguard; safeguarding; equality, diversity & inclusion; manual handling; and other related training is also provided to the Charity's own staff.

- **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.
- **Community development:** Many 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 supports several community groups to raise the profile of their services, fundraise and improve their sustainability.

Strategic Report

Achievement, Performance and Challenges

2022/23 began with the Charity providing all the sites that it had before Covid-19, with services returning to a near normal position in most. Unfortunately this position changed as the year progressed due to the continuing major financial pressure that the Charity was faced with.

End of year performance highlights to note included:

- **Aim: Putting People First**
  - Fitness memberships: recovery continued to a year end position of almost 23,000 members, which was in excess of pre-Covid-19 levels.
  - Swim lessons: almost 7,000 weekly swimming lessons were taking place by the end of 2022/23.
  - Flexi Card holders: The Flexi Card provided by the Charity offered registered customers with discounted access to the KAL sites and had c.18,700 by the end of 2022/23.
  - Health & wellbeing products: while much smaller numbers were involved, these relatively new products supported 1,690 to improve their health and become more active. These products are also subject to more detailed impact evaluation, with health & wellbeing benefits able to be reported in future years.
  - The Charity's golf course – Bradley Park – also had a very strong year, achieving more than £500k in income for the first time since the Charity began managing the facility.
  - Over 2.56m customer visits took place at KAL sites, including almost 860k swimming visits and 310k Yeah! Days Out family attractions visits.
  - KAL employed over 300 FTE's at the end of 2022/23, some 691 staff in terms of headcount, with over 50% of the staff being u25 and the Charity being one of the largest employers of young people in the local area.
  - New, improved 121 system implemented for all staff.

- **Aim: Helping More People Become More Active**
  - Refreshing fitness suites at Colne Valley Leisure Centre (October 2022) and the Stadium Health & Fitness Club (December 2022) with capital improvements.
  - Ongoing development of the Charity's fitness membership partnership with the University of Huddersfield, whereby their students and staff can receive low cost access to the Charity's sites, helping to encourage them to take part in positive health & wellbeing activity.
  - Quality 4 Health & Wellbeing accreditation achieved in March 2023, providing the Charity with external validation of KAL's readiness to be an effective health & wellbeing provider.
  - New KAL website launched in July 2022.

  - Inclusive Employers – Bronze level – awarded October 2022.
  - 55 KAL staff involved on the MyKAL Development staff development programme.
  - 28 live volunteers in place, together with 11 Trustees.

- **Aim: Delivering business excellence**
  - Reduced gas consumption by 8%
  - Reduced electricity consumption by 15%

However, given the financial position of the charity, a range of very difficult decisions had to also be taken to support the longer-term viability of KAL. These included:

- October 2022: The withdrawal of the Charity from the Lockwood Park Health & Fitness Club site.
- November 2022: Introduction of a voluntary redundancy scheme for KAL, which ran through until January 2023.
- December 2022: Temporary closure of three of the Charity's sites – Colne Valley Leisure Centre (swimming pool only), Deighton Sports Arena and Batley Baths & Recreation Centre.
- Essential recruitment only introduced for the Charity, with all vacant roles carefully evaluated to consider whether they had to be replaced or could remain vacant.
- Essential spend only introduced to the Charity, in a similar way to the above, with all expenditure carefully considered to ensure it is necessary.

Financial Review

The table below summarises the group's financial performance:

	2022/23 £000	2021/22 £000
INCOME		
From customers	13,966	9,481
From customers of subsidiary	280	240
	14,246	9,721
Investment income	71	5
Funding by Kirklees MC	2,963	3,340
Other funding	17	1,197
	17,297	14,263
EXPENDITURE		
Staff costs, including self-employed instructors	10,808	8,761
Other costs incurred by KAL	6,604	5,120
Costs incurred by KALT	269	248
	17,681	14,129
EXCESS OF EXPENDITURE OVER INCOME, BEFORE THE EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME	(384)	134
EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME		
Current year charge	(2,534)	(2,818)
Re-measurement gain / (loss)	19,156	8,864
	16,622	6,046
NET MOVEMENT IN FUNDS BEFORE TAX	16,238	6,180
Corporation Tax charge on KALT	1	1
NET MOVEMENT IN FUNDS AFTER TAX	16,239	6,181
FUNDS BROUGHT FORWARD	(14,728)	(20,909)
FUNDS CARRIED FORWARD	1,511	(14,728)
Comprising:		
Charity reserves, excluding pension liability	727	1,105
Subsidiary reserves	(2)	3
Total Funds, excluding pension liability	724	1,108
Pension surplus / (deficit)	786	(15,836)
Total Funds	1,511	(14,728)

The group's income for the year was £17,297,446 (2021/22 £14,263,357), of which £13,965,617 (2021/22 £9,481,039) was generated through charitable trading activities. The trading subsidiary contributed a further £279,949 (2021/22 £240,192) which was largely café customer generated income.

Total resources expended amounted to £17,681,858 (2021/22 £14,129,577) including costs incurred by the trading subsidiary of £269,454 (2021/22 £247,889).

Before the effects of Corporation Tax on the trading subsidiary, net movement in funds for the year totalled £16,237,588 (2021/22 reduction of £6,179,780) and after the estimated tax charge of £1,297 (2021/22 £1,462 charge), a total of £16,238,885 (2021/22 reduction of £6,181,242) has been added to the unrestricted funds.

The wholly owned subsidiary, Kirklees Active Leisure Trading Limited, recorded a net profit before taxation and before gift aid of £10,960 (2021/22 £7,697 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 balance of £1,510,739 (2021/22 £14,728,146). Excluding the pension scheme deficit there is a general reserve of £591,749 at the end of 2022/23 (2021/22 £875,786). The Charity has restricted funds totalling £135,507 at the end of 2022/23 (2021/22 £229,442).

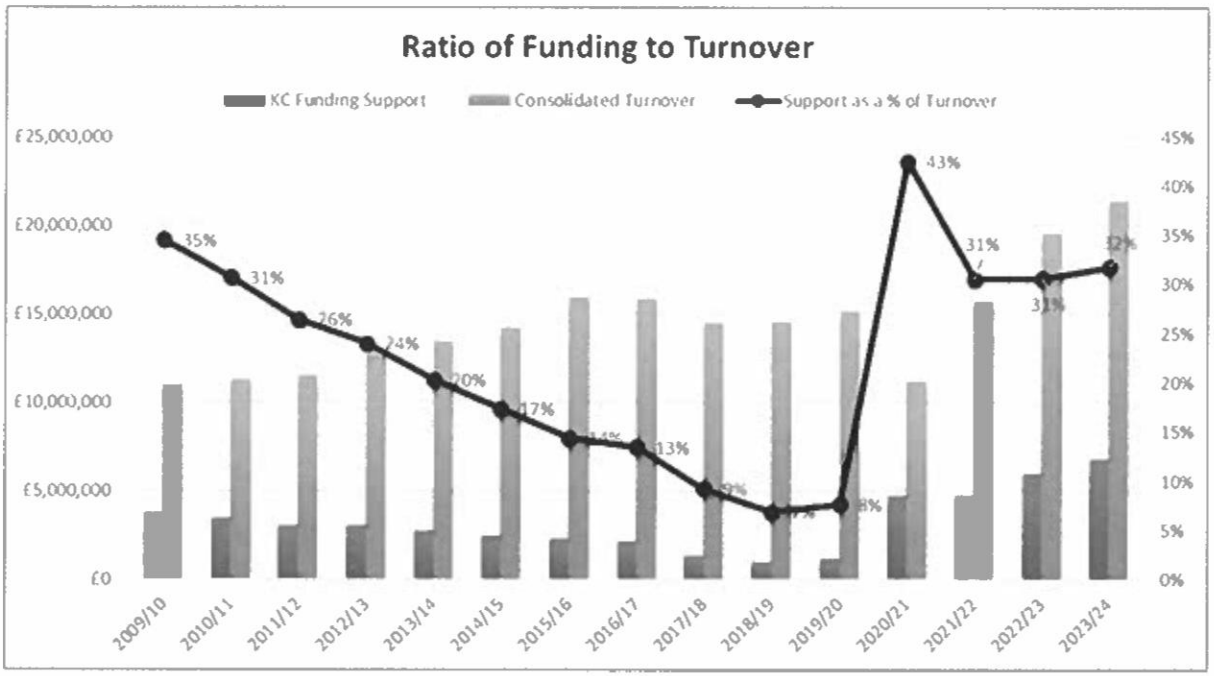
At 31 March 2022, the Charity had no unrestricted free reserves. Free reserves are defined by the Charity Commission as unrestricted funds, excluding those unrestricted funds which can only be realised by disposing of fixed assets held for the Charity's use.

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

Summary of future plans

While the Charity has effectively recovered its' income position to pre-Covid-19 levels, the huge increases in the energy cost of operating swimming pools in particular, the ongoing significant increase in staffing costs due to the National Living Wage (NLW), which 53% of the Charity's workforce are now subject to and which has increased by 45% since 2016, and the major increase in the inflation rate to 10.1% by the end of March 2023 have collectively left the Charity hugely vulnerable, with income growth far below the costs required to operate.

KAL had, pre-Covid-19 and NLW increase, been able to continue to reduce its operating costs/ reliance on the local authority (i.e. "KC funding" noted in the below graph) to subsidise the Charity, through a combination of income growth and year-on-year operational efficiencies, as illustrated by the below graph:



The graph vividly shows the impact of Covid and the ongoing pressure that the Charity now faces, as well as its' increased reliance on funding support from Kirklees Council, which, given the local authorities own very difficult financial position, leads to further challenges.

KAL's future will be dictated by two major factors:

- **UK economic position:** inflation needs to significantly reduce to be reflected in lower supplier and NLW costs being imposed upon a not-for-profit employer such as KAL who have such a significant workforce. Energy costs also need to reduce significantly, given the Charity's facility base and high energy requirements for swimming pools in particular.
- **Kirklees Council and the level of financial support affordable to KAL:** The local authority face a hugely challenging future position themselves and, while short term support from the Council is significant and very welcome, this will not be able to be continued.

Given the above, KAL will need to continue to rationalise the scale of the organisation, both in terms of sites operated and services provided to a level which is viable for the level of income (both from customers and as subsidy from the local authority) that can be provided.

This will be a major challenge for the Charity and is likely to have a significant impact upon KAL's Trustees, staff and the health & wellbeing of the Charity's customers.

A much-reduced Charity will then need to consolidate, reconsider and re-focus its' provision before, hopefully, beginning to re-grow as the wider economic position becomes more favourable.

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, with, as noted above, KAL's financial position continuing to be under considerable pressure.

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 considered the appropriate policies, procedures and systems to mitigate the Charity's exposure to the identified major risks where they can.

As of the KAL Board meeting in March 2023, the major corporate risks facing KAL were identified as follows:

Ref	Risk	Comment
1	Energy management	Given the ongoing conflict in Ukraine and the continuing high market costs of both gas and electricity, then this aspect has a major impact on the cost to operate the Charity's provision, in particular its' swimming pools.
2	KAL's Medium Term Financial Plan	Relating to the short/ medium-term financial viability of the Charity and the need for ongoing major financial support from Kirklees Council.
3	Economic Climate	Acknowledging the ongoing difficult financial position facing KAL, both staff and customers, with inflation remaining high, increasing energy costs and the emergence of extensive cost of living pressures for many. Kirklees Council, as KAL's main partner, also adversely affected.
4	KC financial position	Noting the continuing high level of financial support being provided by the Council and the need for this to continue to allow for sites & services to continue to operate, but also the concern about the Council's own worsening financial position.
5	Low staff morale	Cost of living increases, below inflation pay increases for non-NLW staff, increasing workloads due to the challenge of recruitment and the threat of facility closures/ related redundancies will all increase the risk of a dissatisfied workforce and low levels of morale.
6	Staff recruitment/ retention/ termination	With the Charity, like many others, continuing to struggle to recruit/ retain staff post-Covid 19, slightly eased in the short term by the temporary closure programme, with staff from these sites working at alternative sites.
7	Dewsbury Sports Centre	An increasing number of capital requirements are emerging at the site which need to be addressed, but with funding shortfalls preventing this.
8	Stadium (John Smith Stadium) site adversely affected by external factors	The high and increasing operating costs of the Stadium site for the Charity make it likely to be unviable to continue to operate the Stadium site or to have a head office at the facility.
9	School swimming	Reflecting the high cost of operating swimming pools and the risk that any future pool closures could negatively impact up on school swimming delivery.
10	Major capital risks	A lack of available capital funding from the Council to meet their lease requirements at one of the Charity's sites.
11	Huddersfield Leisure Centre	Reflecting the high cost of operating swimming pools and the risk that a very large site such as this one will be especially costly to operate.
12	Spen Valley Leisure Centre	Continuing mechanical & electrical issues with the site are both damaging to the Charity's reputation and incur additional, unnecessary revenue expenditure.

Ref	Risk	Comment
13	Business plans do not achieve objectives	Given the ongoing/ worsening cost of living crisis and the subsequent impact on customers and their levels of disposable income.
14	Covid-19	The risk of a further new strain and the potential impact if drastic measures are again taken to try to control the spread of the disease.
15	IT systems failure/ breaches	This reflects both changes in internal processes and also the risk of the Charity facing cyber-attack, linked to the Ukrainian war.
16	Competitors	Competitors opening in the local area and Market Management in mitigation
17	National Living Wage (NLW) & National Minimum Wage (NMW)	Continuing major annual increases, linked to high inflation, continue to put considerable pressure on not-for-profit organisations with large staffing numbers, such as KAL.
18	Major incident (e.g. H&S incident, fire, terrorist attack, etc.)	Increased risk as cost pressures continue to ensure that required checks, training, etc are undertaken.

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 across key operational areas. Follow-up audits are then undertaken as necessary.

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

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

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

Auditor

The Charity's Auditor's were reconsidered with an approach led by KAL's Audit Committee and then ratified by the KAL Board at their March 2022 KAL Board meeting, where Simpson Wood were appointed as KAL's new Auditors from the 2021/22 financial year and have again been commissioned to audit KAL for the 2022/23 financial year.

This Trustees' Report, including the Strategic Report, was approved by the Board on 8th November 2023 and signed on its behalf by:

D Stephenson

D Stephenson
Chair of the Trustees

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2023
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.

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 2023 which comprise the group and parent charitable company: statement of financial activities; the balance sheet; cashflow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, for the year ended; and
- have been properly prepared in accordance with United Kingdom General Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Charities Act 2011 and Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern-emphasis of matter

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

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

We do however draw attention to the further deficit incurred during the year, prior to recognising the pension movement, which has again eroded the group's and the company's net assets prior to accounting for the defined pension benefit surplus. Both the group and the company ended the year with a deficit of current assets compared to current liabilities, reflecting a deterioration in the short-term liquidity position. The directors' assessment of going concern and their rationale for preparing the financial statements on that basis is set out at note 1(o) on page 31. Whilst our audit opinion is not modified in this respect, material inherent uncertainties exist within the group's and the company's business model and on-going working capital support is required from Kirklees Council to enable them to continue to operate and meet their obligations as they fall due.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularies including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the parent charitable company, including Charities Act 2011, Charities (accounts and Reports) Regulation 2008, Companies Act 2006, data protection and anti-bribery legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations and.
- performed analytical procedures to identify any unusual or unexpected relationships.

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance and;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Simpson Wood Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section1212 of the Companies Act 2006.

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



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

Chartered Accountants
Statutory Auditor

Bank Chambers
Market Street
Huddersfield
HD1 2EW

Dated: 8 November 2023

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

Notes		2023 Unrestricted funds £	2023 Restricted Funds £	2023 Total £	2022 Total £
	Income and endowments from:				
2	Charitable activities	13,965,617	-	13,965,617	9,481,039
3	Other trading activities	279,949	-	279,949	240,192
4	Investments	71,260	-	71,260	4,556
5	Other	2,962,870	17,750	2,980,620	4,537,570
	Total income	17,279,696	17,750	17,297,446	14,263,357
	Expenditure on:				
6	Raising funds	269,454		269,454	247,889
6	Charitable activities	19,834,719	111,685	19,946,404	16,699,688
	Total expenditure	20,104,173	111,685	20,215,858	16,947,577
	Net income/(expenditure)	(2,824,477)	(93,935)	(2,918,412)	(2,684,220)
	Other recognised gains/(losses):				
23	Re-measurement gain/(loss) on defined benefit pension scheme	19,156,000	-	19,156,000	8,864,000
	Net movement in funds before tax	16,331,523	(93,935)	16,237,588	6,179,780
	Corporation tax charge on subsidiary	1,297	-	1,297	1,462
21	**Net movement in funds after tax**	16,332,820	(93,935)	16,238,885	6,181,242
	Reconciliation of funds:				
21	Total funds brought forward	(14,957,588)	229,442	(14,728,146)	(20,909,388)
21	**Total funds carried forward**	1,375,232	135,507	1,510,739	(14,728,146)

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)

Notes		2023 Unrestricted funds £	2023 Restricted Funds £	2023 Total £	2022 Total £
	Income and endowments from:				
2	Charitable activities	13,965,617	-	13,965,617	9,481,039
3	Other trading activities	38,274	-	38,274	20,478
4	Investments	70,795	-	70,795	4,556
5	Other	2,962,870	17,750	2,980,620	4,537,570
	Total income	17,037,556	17,750	17,055,306	14,043,643
	Expenditure on:				
6	Charitable activities	19,855,593	111,685	19,967,278	16,720,166
	Total expenditure	19,855,593	111,685	19,967,278	16,720,166
	Net income/(expenditure)	(2,818,037)	(93,935)	(2,911,972)	(2,676,523)
	Other recognised gains/(losses):				
23	Re-measurement gain/(loss) on defined benefit pension scheme	19,156,000	-	19,156,000	8,864,000
	Net movement in funds	16,337,963	-93,935	16,244,028	6,187,477
	Reconciliation of funds:				
21	Total funds brought forward	(14,960,214)	229,442	(14,730,772)	(20,918,249)
21	**Total funds carried forward**	1,377,749	135,507	1,513,256	(14,730,772)

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 2023

Notes		2023	2022
		£	£
	Fixed assets		
13	Tangible assets	1,518,846	1,297,451
		1,518,846	1,297,451
	Current assets		
15	Stocks	25,414	26,006
16	Debtors	410,979	430,271
	Cash at bank and in hand	1,942,753	3,939,521
		2,379,146	4,395,798
17	**Creditors:** amounts falling due within one year	(3,172,472)	(4,583,317)
	Net current assets	(793,326)	(187,519)
	Total assets less current liabilities	725,520	1,109,932
18	**Creditors:** amounts falling due after more than one year	-	-
19	**Provision for liabilities**	(781)	(2,078)
	Net assets excluding pension liability	724,739	1,107,854
23	**Defined benefit pension liability**	786,000	(15,836,000)
	Net assets / (liabilities)	1,510,739	(14,728,146)
	Charity Funds		
	Unrestricted funds excluding pension deficit	591,749	875,786
	Charity Trading Subsidiary	-2,517	2,626
	Designated funds	-	-
	Total unrestricted funds before pension deficit	589,232	878,412
23	**Pension deficit**	786,000	(15,836,000)
21	**Total unrestricted funds**	1,375,232	(14,957,588)
21	**Restricted funds**	135,507	229,442
	Total charity deficit	1,510,739	(14,728,146)

The financial statements were approved and authorised by the Board on 8th November 2023.
The notes on pages 29 to 45 form part of these financial statements.
Signed on behalf of the board of trustees

D Stephenson

D Stephenson - Chair of the Trustees

CHARITY BALANCE SHEET AS AT 31 MARCH 2022

Notes		2023 £	2022 £
	Fixed assets		
13	Tangible assets	1,511,427	1,282,593
14	Investments	2	2
		1,511,429	1,282,595
	Current assets		
15	Stocks	25,414	26,006
16	Debtors	452,973	500,139
	Cash at bank and in hand	1,922,559	3,933,673
		2,400,946	4,459,818
17	**Creditors:** amounts falling due within one year	(3,185,119)	(4,637,185)
	Net current assets	(784,173)	(177,367)
	Total assets less current liabilities	727,256	1,105,228
18	**Creditors:** amounts falling due after more than one year		
	Net assets excluding pension liability	727,256	1,105,228
23	**Defined benefit pension liability**	786,000	(15,836,000)
	Net assets / (liabilities)	1,513,256	(14,730,772)
	Charity Funds		
	Unrestricted funds excluding pension deficit	591,749	875,786
	Designated funds	-	-
	Total unrestricted funds before pension deficit	591,749	875,786
23	**Pension deficit**	786,000	(15,836,000)
21	**Total unrestricted funds**	1,377,749	(14,960,214)
21	**Restricted funds**	135,507	229,442
	Total charity deficit	1,513,256	(14,730,772)

The financial statements were approved and authorised by the Board on 8th November 2023.
The notes on pages 28 to 44 form part of these financial statements.
Signed on behalf of the board of trustees

D Stephenson

D Stephenson - Chair of the Trustees

CONSOLIDATED CASH FLOW STATEMENT

for the year ended

31 MARCH 2023

Note		2023 £	2022 £
22	**Net cash flow from operating activities**	(1,355,012)	2,573,917
	Cash flow from investing activities		
	Payments to acquire tangible fixed assets	(807,528)	(611,137)
	Receipts from sales of tangible fixed assets	93,600	25,083
	Interest received	71,260	4,556
	Net cash flow from investing activities	(642,668)	(581,498)
	Cash flow from financing activities		
	Repayment of finance lease liabilities	-	-
	Interest paid	0	(3,031)
	Net cash flow from financing activities	0	(3,031)
	Net increase/(decrease) in cash and cash equivalents	(1,997,680)	1,989,388
	Cash and cash equivalents at 1 April 2022	3,939,521	1,950,133
	Cash and cash equivalents at 31 March 2023	1,941,841	3,939,521
	Cash and cash equivalents consists of:		
	Cash at bank and in hand	1,942,753	3,939,521
	Bank overdraft	(912)	-
	Cash and cash equivalents at 31 March 2023	1,941,841	3,939,521

CHARITY CASH FLOW STATEMENT

for the year ended

31 MARCH 2023

Note		2023 £	2022 £
22	**Net cash flow from operating activities**	(1,367,981)	2,601,862
	Cash flow from investing activities		
	Payments to acquire tangible fixed assets	(807,528)	(611,137)
	Receipts from sales of tangible fixed assets	93,600	25,083
	Interest received	70,795	4,556
	Net cash flow from investing activities	(643,133)	(581,498)
	Cash flow from financing activities		
	Repayment of finance lease liabilities	-	-
	Interest paid	0	(3,031)
	Net cash flow from financing activities	0	(3,031)
	Net increase/(decrease) in cash and cash equivalents	(2,011,114)	2,017,333
	Cash and cash equivalents at 1 April 2022	3,933,673	1,916,340
	Cash and cash equivalents at 31 March 2023	1,922,559	3,933,673
	Cash and cash equivalents consists of:		
	Cash at bank and in hand	1,922,559	3,933,673
	Bank overdraft	-	-
	Cash and cash equivalents at 31 March 2023	1,922,559	3,933,673

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 2024 and the indicative funding for the following year to 31 March 2025. 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

	2023	2022
	£	£
Sale of goods and services	13,965,617	9,481,039
	13,965,617	9,481,039

Income from charitable activities was £13,965,617 (2022: £9,481,039) of which £nil (2022: £nil) was attributable to restricted and £13,965,617 (2022: £9,481,039) was attributable to unrestricted funds.

3 Income from other trading activities

Group

	2023	2022
	£	£
Trading subsidiary turnover	279,949	240,192

Income from other trading activities was £279,949 (2022: £240,192) which was all attributable to unrestricted funds.

Charity

	2023	2022
	£	£
Management charge received from subsidiary	20,874	20,478
Deed of gift from subsidiary	17,400	-
	38,274	20,478

4 Income from investments

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Interest	71,260	70,795	4,556	4,556

Group income from investments was £71,260 (2022: £4,556) which was all attributable to unrestricted funds.

5 Other income – Group and Charity

	2023	2022
	£	£
Funding provided by Kirklees Metropolitan Council	2,962,870	3,340,462
Coronavirus Job Retention Scheme	-	140,043
Coronavirus Business Support Grants	-	234,200
National Leisure Recovery Fund	17,750	822,865
	2,980,620	4,537,570

Other income was £2,980,620 (2022: £4,537,570) of which £2,962,870 (2022: 3,574,662) was attributable to unrestricted funds and £17,750 (2022: £962,908) was attributable to restricted funds.

6 Analysis of expenditure

Group

Raising funds	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Trading subsidiary expenses	103,098	131,425	7,439	27,492	269,454
Charitable activities					
Staff costs	6,339,061	-	-	6,584,712	12,923,773
Transport costs	-	4,340	-	424,394	428,734
Premises costs	-	2,515,676	-	199,378	2,715,054
Supplies & services	418,000	1,696,026	578,694	923,060	3,615,780
Kirklees Metropolitan Council service level agreements	-	7,154	-	255,909	263,063
	6,757,061	4,223,196	578,694	8,387,453	19,946,404
Total resources expended	6,860,159	4,354,621	586,133	8,414,945	20,215,858

Expenditure on raising funds was £269,454 (2022: £247,889) all of which was attributable to unrestricted funds. Expenditure on charitable activities was £19,946,404 (2022: £16,699,688) of which £111,685 (2022: £962,908) was attributable to restricted and £19,855,593 (2022: £15,736,780) was attributable to unrestricted funds.

Charity	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Charitable activities					
Staff costs	6,339,061	-	-	6,605,586	12,944,647
Transport costs	-	4,340	-	424,394	428,734
Premises costs	-	2,515,676	-	199,378	2,715,054
Supplies & services	418,000	1,696,026	578,694	923,060	3,615,780
Kirklees Metropolitan Council service level agreements	-	7,154	-	255,909	263,063
	6,757,061	4,223,196	578,694	8,408,327	19,967,278
Total resources expended	6,757,061	4,223,196	578,694	8,408,327	19,967,278

Expenditure on charitable activities was £19,967,278 (2022: £16,720,166) of which £111,685 (2022: £962,908) was attributable to restricted and £19,855,593 (2022: £15,757,258) was attributable to unrestricted funds.

7 Allocation of support costs

Group	Raising funds	Charitable Activities	Total
	£	£	£
Staff costs	20,874	6,584,712	6,605,586
Transport costs	-	424,394	424,394
Premises costs	6,618	199,378	205,996
Supplies and services	-	923,060	923,060
Kirklees Metropolitan Council service level agreements	-	255,909	255,909
Total	27,492	8,387,453	8,414,945

Charity	Charitable Activities	Total
	£	£
Staff costs	6,605,586	6,605,586
Transport costs	424,394	424,394
Premises costs	199,378	199,378
Supplies and services	923,060	923,060
Kirklees Metropolitan Council service level agreements	255,909	255,909
Total	8,408,327	8,408,327

8 Audit fees – Group and Charity

	2023	2022
	£	£
Auditor's remuneration – statutory audit	17,000	13,750

The above costs are attributable to unrestricted funds.

9 Net (expenditure) for the year

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

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Depreciation of tangible fixed assets	586,133	578,694	455,391	447,188
Gain on sale of tangible fixed assets	(93,600)	(93,600)	(25,083)	(25,083)
Operating lease rentals	205,457	205,457	232,124	232,124

10 Trustees' and key management personnel remuneration and expenses

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

The total amount of employee benefits received by key management personnel is £154,541 (2021: £142,501). The trust considers its key management personnel comprise the Chief Executive and the Deputy Chief Executive. The remuneration of senior staff is reviewed annually by the Kirklees Active Leisure Remuneration Committee.

The reimbursement of trustees' expenses was as follows:

	2023 Number	2022 Number	2023 £	2022 £
Travel	1	1	65	55

11 Staff costs and employee benefits

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

	2023 Number	2023 FTE	2022 Number	2022 FTE
Charitable activities	659	305.7	614	266.1
Raising funds	22	3.9	21	10.8
	681	309.6	635	276.9

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

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Wages and salaries	8,925,422	8,850,003	7,243,703	7,146,480
Social security	623,685	621,953	480,759	475,893
Defined benefit pension operating costs	2,853,573	2,848,500	2,993,657	2,984,159
Other payroll costs	99,657	99,657	123,883	123,883
Self-employed instructors	524,534	524,534	416,098	416,098
	13,026,871	12,944,647	11,258,100	11,146,513

11 Staff costs and employee benefits (continued)

The total amount of employee redundancy or termination payments relating to the reporting period is £13,708 (2022: £19,923). 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:

	2023 Number	2022 Number
£80,001 - £90,000	1	1
£70,001 - £80,000	-	-
£60,001 - £70,000	1	1

12 Interest payable and similar charges – Group and Charity

	2023 £	2022 £
Interest on defined benefit pension liability	418,000	454,000
	418,000	454,000

13 Tangible fixed assets

Group	Plant and equipment £	Fixtures and Fittings £	Total £
Cost:			
At 1 April 2022	4,134,550	1,679,560	5,814,110
Additions	690,090	117,438	807,528
Disposals	(1,208,914)	(313,935)	(1,522,849)
At 31 March 2023	3,615,726	1,483,063	5,098,789
Depreciation:			
At 1 April 2022	3,358,004	1,158,656	4,516,660
Charge for the year	373,125	213,007	586,132
On disposals	(1,208,914)	(313,935)	(1,522,849)
At 31 March 2023	2,522,215	1,057,728	3,579,943
Net Book value:			
At 31 March 2022	776,546	520,904	1,297,450
At 31 March 2023	1,093,511	425,335	1,518,846

13 Tangible fixed assets (continued)

Charity	Plant and equipment	Fixtures and fittings	Total
Cost:	£	£	£
At 1 April 2022	4,121,862	1,599,203	5,721,065
Additions	690,090	117,438	807,528
Disposals	(1,208,914)	(313,935)	(1,522,849)
At 31 March 2023	3,603,038	1,402,706	5,005,744
Depreciation:			
At 1 April 2022	3,350,999	1,087,472	4,438,471
Charge for the year	371,039	207,656	578,695
On disposals	(1,208,914)	(313,935)	(1,522,849)
At 31 March 2023	2,513,124	981,193	3,494,317
Net Book value:			
At 31 March 2022	770,863	511,731	1,282,593
At 31 March 2023	1,089,914	421,513	1,511,427

14 Fixed asset investments

Charity	Equity in subsidiary undertaking	Total
	£	£
Cost:		
At 1 April 2022 and 31 March 2023	2	2
Carrying amount:		
At 31 March 2023	2	2
At 1 April 2022	2	2

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:

	2023	2022
	£	£
Turnover	279,949	195,274
Cost of sales	(113,685)	(67,646)
Gross profit	166,264	(127,628)
Administration expenses	(134,895)	(159,765)
Management charge paid to Kirklees Active Leisure	(20,874)	(20,478)
Other operating income	-	44,918
Interest receivable & similar income	465	-
Net profit	10,960	(7,697)
Deed of gift to Kirklees Active Leisure	(17,400)	-
Tax on profit on ordinary activities	1,297	1,462
	(5,143)	(6,235)
The assets and liabilities of the subsidiary were:		
Assets	116,237	102,268
Liabilities	(118,752)	(99,640)
Total net assets	(2,515)	2,628
Aggregate share capital and reserves	(2,515)	2,628

Audit exemptions

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

15 Stocks – Group and Charity

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Consumables	5,032	5,032	2,398	2,398
Goods for resale	20,382	20,382	23,608	23,608
	25,414	25,414	26,006	26,006

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

16 Debtors

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Trade debtors	128,554	88,018	153,889	153,346
Amounts owed by subsidiary	-	87,635	-	74,239
Other debtors	3,305	-	2478	-
Prepayments	195,827	194,027	211,281	209,931
Accrued income	83,293	83,293	62,623	62,623
	410,979	452,973	430,271	500,139

17 Creditors: amounts falling due within one year

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Bank loans and overdrafts	912	-	-	-
Trade creditors	192,716	185,816	355,101	352,222
Amounts owed to subsidiary	-	42,983	-	77,191
Other tax and social security	231,168	217,577	284,873	271,679
Other creditors	363,727	355,727	460,626	453,376
Accruals and deferred income	2,383,949	2,383,016	3,482,717	3,482,717
	3,172,472	3,185,119	4,583,317	4,637,185

18 Leases – Group and Charity

Operating leases – lessee

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

Leases expiring:	2023 £	2022 £
Later than one and not later than five years	20,056	313,917
Later than five years	-	-
	20,056	313,917

19 Deferred taxation

The movement in the deferred tax provision during the year was:	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Provision brought forward	2,078	-	3,540	-
Profit and loss account movement during the year	(1,297)	-	(1,462)	-
Provision carried forward	781	-	2,078	-

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

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed asset timing differences	877	-	2,174	-
Tax Losses	(96)	-	(96)	-
	781	-	2,078	-

20 Fund reconciliation

Unrestricted funds - Group

	Balance at 01-Apr-22 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31-Mar-23 £
Unrestricted	(14,957,588)	17,279,696	(20,123,750)	19,156,000	1,354,358
Designated funds	-	-	-	-	-
	(14,957,588)	17,279,696	(20,123,750)	19,156,000	1,354,358

Unrestricted funds - Charity

	Balance at 01-Apr-22 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31-Mar-23 £
Unrestricted	(14,960,214)	17,037,556	(19,855,593)	19,156,000	1,377,749
Designated funds	-	-	-	-	-
	(14,960,214)	17,037,556	(19,855,593)	19,156,000	1,377,749

Restricted funds – Group and Charity

	Balance at 01-Apr-21 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31-Mar-22 £
Restricted	229,442	17,750	(111,685)	-	135,507

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 project expenses. 2023 income is made up of small some sports grants

21 Analysis of net assets between funds

	Unrestricted		Restricted		Total	
	Group	Charity	Group	Charity	Group	Charity
	£	£	£	£	£	£
Fixed assets	1,518,846	1,511,427	-	-	1,518,846	1,511,427
Investments	-	2	-	-		2
Net current assets	(929,614)	(919,680)	135,507	135,507	(794,107)	(784,173)
Creditors: more than one Year	-	-	-	-	-	-
Pension liability	786,000	786,000	-	-	786,000	786,000
Total	1,375,232	1,377,749	135,507	135,507	1,510,739	1,513,256

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

Group	2023	2022
	£	£
Net (expenditure) for the year	(2,918,412)	(2,684,220)
Interest (receivable)/payable	(71,260)	(1,525)
Depreciation of tangible fixed assets	586,133	455,391
Profit on disposal of fixed assets	(93,600)	(25,083)
Corporation tax paid	-	-
Pension funding	2,534,000	2,818,000
(Increase)/decrease in stock	592	(1,438)
(Increase)/decrease in debtors	19,292	603,530
Increase/(decrease) in creditors	(1,411,757)	1,409,262
Net cash flow from operating activities	(1,355,012)	2,573,917
Charity		
Net (expenditure) for the year	(2,911,972)	(2,676,523)
Interest (receivable)/payable	(70,795)	(1,525)
Depreciation of tangible fixed assets	578,694	447,188
Profit on disposal of fixed assets	(93,600)	(25,083)
Pension funding	2,534,000	2,818,000
(Increase) in stock	592	(1,438)
(Increase)/decrease in debtors	47,166	638,768
Increase/(decrease) in creditors	(1,452,066)	1,402,475
Net cash flow from operating activities	(1,367,981)	2,601,862

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 2022.

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

	2023	2022
	£	£
Contributions	716,000	617,000
Current service cost	(2,832,000)	(2,981,000)
Past service cost	-	-
Net interest expense	(418,000)	(454,000)
Recognised in net expenditure	(2,534,000)	(2,818,000)
Recognised in other gains/(losses)	19,156,000	8,864,000
Total credit/(cost) recognised	16,622,000	6,046,000

Amounts recognised in the balance sheet were as follows:

	2023	2022
	£	£
Present value of funded obligations	(30,425,000)	(46,335,000)
Fair value of plan assets	31,211,000	30,499,000
	786,000	(15,836,000)

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

	2023
	£
Opening defined benefit obligation	46,335,000
Current service cost	2,832,000
Past service cost	-
Interest expense	1,251,000
Actuarial (gains)/loss	(19,930,000)
Contributions by scheme participants	413,000
Benefits paid	(476,000)
Closing defined benefit obligation	30,425,000

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:

	2023	2022
	£	£
Opening plan assets	30,499,000	27,111,000
Interest income	833,000	573,000
Re-measurement gains on assets	(774,000)	2,443,000
Contributions by charity	716,000	617,000
Contributions by scheme participants	413,000	362,000
Benefits paid	(476,000)	(607,000)
Closing plan assets	31,211,000	30,499,000

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

	2023	2022
Equities	80.8%	79.8%
Government funds	6.9%	7.4%
Corporate funds	4.6%	4.8%
Property	3.3%	4.0%
Cash	2.3%	2.9%
Other assets	2.1%	1.1%
	100%	100%

The return on plan assets was as follows:

	2023	2022
	£	£
Interest income	833,000	573,000
Gain/(loss) on plan assets (excluding interest income)	(774,000)	2,443,000
Total return on plan assets	59,000	3,016,000

The principal actuarial assumptions used were as follows:

	2023	2022
Discount rate	4.60%	2.70%
Expected rates of salary increases	3.85%	4.05%
Expected rates of pension increases	2.60%	2.80%
Expected rate of inflation – RPI	2.60%	2.80%
Expected rate of inflation – CPI	2.60%	2.80%

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:

	2023	2022
Retiring at the balance sheet date		
- Males	21.6	21.8
- Females	24.6	24.6
Retiring in 20 years		
- Males	22.9	22.5
- Females	25.7	25.7

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	12,547	-
Azure Consulting, a company controlled by a trustee	1,990	-
Kirklees Stadium Development Ltd, whose company secretary is a trustee	173,429	12,023
At 31 March 2023	187,966	12,023
At 31 March 2022	2,727	-

These transactions have been undertaken on normal commercial terms.

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

- £1,839 was received from Kirklees Youth Alliance for room hire, an organisation connected to A I Brown (CE)
- £2,962,870 received from Kirklees Council, £263,063 of services purchased under service level agreements with Kirklees Council and payment made by KAL of £479,445 payment against financing charges. The Articles of Association allow the Council to appoint up to two Trustees. Trustees M S Thompson and M.S. Sokhal are Councillors for Kirklees Council and the appointed Council Trustees for KAL.

25 Financial Commitments and guarantees
Financial Commitments to Kirklees Council

	2023 £	2022 £
Outstanding contributions to facility improvements KAL	5,034,952	5,563,520
Outstanding contributions to facility improvements KALT	15,000	21,000

Guarantees
In order for the subsidiary company specified in note 14 to take the audit exemption in section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of the subsidiary company as at 31 March 2023 until those liabilities are satisfied in full.

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.

DETAILED CHARITABLE EXPENDITURE (including Governance Expenditure)

	2023		2022	
	£	£	£	£
Staff costs				
Salaries	5,991,955		4,842,528	
Wages	3,706,916		2,826,919	
Teachers	505,585		573,084	
Self-employed instructors	524,534		416,098	
Indirect employee costs	99,657		123,883	
Current year pension charge	2,116,000		2,364,000	
		12,944,647		11,146,512
Transport costs		428,734		366,853
Premises costs				
Repairs and maintenance	1,450,434		879,595	
Electricity	150,664		87,059	
Gas	2,359		4,512	
Water	185,143		175,987	
Energy savings works	175,456		70,098	
Other utility costs	3,035		4,041	
Rent	195,083		195,365	
Insurance	92,905		72,072	
Water treatment	114,545		94,576	
Non-recreational equipment	59,840		50,629	
Rates	33,412		11,601	
Other	252,178		248,729	
		2,715,054		1,894,264
Supplies and services				
Equipment	310,075		154,143	
Marketing	190,094		242,737	
IT	319,479		341,759	
Postage, printing and stationery	33,554		24,846	
Communications	27,019		20,358	
Resale items	106,825		64,712	
Depreciation	578,694		447,188	
Kirklees Metropolitan Council finance charges	479,445		479,431	
Professional Fees	282,809		169,018	
Licences	173,825		92,504	
Financial	429,635		479,405	
Irrecoverable VAT	612,352		429,006	
Other	71,974		103,825	
		3,615,780		3,048,932
Kirklees Metropolitan Council service level agreements		263,063		263,605
Total expenditure		19,967,278		16,720,166

KIRKLEES ACTIVE LEISURE

England & Wales - Charity number 1091226

Accounts

KIRKLEES ACTIVE LEISURE

FINANCIAL STATEMENTS

31 MARCH 2022

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Company registration number: **4331165**
Registered charity number: **1091226**

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

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

CHARITY NUMBER
1091226

COMPANY NUMBER
4331165

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

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

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

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

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

CHAIRMAN
D. Stephenson

CHIEF EXECUTIVE
A.I. Brown

TRUSTEES
J.A. Briggs
M.T. Hudson
Cllr. M.S. Sokhal
S.M. Sopala
B.C. Stahelin
J.S. Fletcher
S. Ahmed
S. Alderson
P. Kemp
Cllr. M.S. Thompson

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

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

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

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

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

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

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

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

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

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

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

indicators to measure the progress and impact of the Charity.
The board also received an Equality, Diversity & Inclusion awareness training session as part of their March 2022 Board meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Objects and Activities
The objects of the Charity are:

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

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

Covid-19.

Charitable purpose	Example of activity -
The advancement of education	- The Charity delivers the local school swimming service to 136 Kirklees schools, plus 5 further schools form surrounding local authority areas. During 2021/22 the service began to deliver school swimming lessons again following the required temporary site closures due to Covid-19. o Term 1 programme delivered, with 96 sessions/ week to pupils in key stage 2. o Term 2 commenced February 2022 with a further 86 sessions. A new, more intensive programme was introduced, with longer swim lesson sessions over fewer weeks. Catch-up sessions were provided for pupils which missed school swimming due to Covid, with a total of 19 schools/ 815 attending a full 19 week programme. - KAL's own learn to swim swimming lesson programme recommenced, with 6,900 young people taking part in regular swimming lessons again by the end of 2021/22. - Swim lesson provision overall was enhanced by the opening of a new leisure centre in February 2022 – Spen Valley Leisure Centre, with the new site providing considerable scope for increased swimming lesson provision. - KAL's other coached activities, such as tennis, at both junior and adult levels, also recommenced during 2021/22. - All activities were again available to all groups of the local community, with pricing discounts provided via the local Kirklees Passport scheme. - KAL staff again commenced training in a wide range of aspects, including health & safety, safeguarding, KAL's corporate induction, revised site inductions, etc., as well as further training modules now being delivered to cover conflict management and equality, diversity & inclusion.
The advancement of health	- KAL's new overall focus is to develop the Charity as a preventive health service, to both seek a new customer base and also to contribute towards improving local health inequalities, in particular attracting those from targeted demographic communities to make use of the sites and products provided by KAL. - Covid-19 allowed KAL to reconsider our strategic approach and the resources needed to deliver this, with initially, a Health Partnership Manager appointed to KAL, before being followed by a new Volunteer Coordinator, with volunteers viewed as a key approach for KAL to increase its' capacity with. - KAL partnered with the University of Huddersfield's School of Human & Health Sciences to develop a number of Standard Evaluation Frameworks (SEFs) to help ensure that the Charity can

Charitable purpose -	Example of activity -
	clearly demonstrate the impact being of its services and products going forward, with these now being in place and data being collected for a number of products. - KAL's initial health & wellbeing products were launched during 2021/22, including: ○ First Steps To fitness (self-referral programme for the inactive) – launched in August 2021 ○ Moving Mums (pre/post natal activity sessions packaged together) – launched in August 2021 ○ Live Well (Exercise referral programme for those with cardio conditions) – launched in December 2021 ○ Fitness For Health (exercise referral programme for a range of other heath conditions) - launched in December 2021 -
The advancement of citizenship and community development	- The Charity and Kirklees Council jointly developed a Partnership Framework, which was agreed by the Council's Cabinet in July 2021 and subsequently agreed by the KAL board at a special KAL Board meeting held on the 5th August 2021. - The Partnership Framework is intended to: ○ Reinforce KAL moving towards becoming more of a health & wellbeing focused organisation, as also indicated by KAL's own strategy and new Vision ○ Agree for KAL to contribute towards the Council's main reducing inequalities agenda. ○ Encourage KAL to actively seek to attract the inactive to make use of KAL sites and become active, as well as attracting in new customers from a range of demographic groups which are known to have low physical activity levels, such as older people, women & girls, the disabled, diverse ethnic communities, etc. ○ Note that the Council would be working with KAL to attract these new customers to make use of KAL sites and appreciate that such a change in approach will take time. - Free fitness membership for Care Leavers and targeted other individuals continues to be provided.
The advancement of amateur sport	- The Charity works closely with a number of significant local sports clubs that make use of the facilities managed by the Charity. This includes athletics clubs; a range of swimming clubs; tennis club; a golf club; and a major local community football club (Howden Clough AFC). - KAL is a key partner on the local strategic partnership for sport and wider physical activity- "Everybody Active" and the Kirklees Active Schools sub-group. - At Lockwood Park, KAL is a tenant on the site where Huddersfield Rugby Union Club is based, alongside local hockey teams. - KAL also hosts local multi-sports VCS organisations, assisting

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

Our strategy for meeting our Charitable Purposes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consultation

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

etc.) addressed.

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

Benefits of participation

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

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

Strategic Report

Achievement and Performance

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

End of year performance highlights included:

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

- 204 new contracted staff and 90 casual employees recruited into the Charity during the course of the year, a huge number of new staff and reflective of the staffing recruitment challenges continuing to be faced by the Charity.
- Return to work support package available to staff returning to the workplace post Covid-19.
- Staff satisfaction survey undertaken in March 2022, with 339 respondents. Results to be fed back to staff, with action plans developed to try to help address the areas for improvement highlighted.

- Aim: Helping More People Become More Active
  - Opening of a new £500k fitness suite facility at Batley Sports & Tennis Centre in May 2021.
  - Opening of a new, £18m leisure centre – Spen Valley Leisure Centre – in February 2022.
  - Ongoing develop of the Charity's fitness membership partnership with the University of Huddersfield, whereby their students and staff can receive low cost access to the Charity's sites, helping to encourage them to take part in positive health & wellbeing activity.
  - Evidence submitted for the Quality 4 Health & Wellbeing accreditation scheme, which would help reinforce KAL's role as a local provider of preventative health & wellbeing services. The outcome of the process should be known in Autumn 2022.
  - Implementation of a range of health & wellbeing products, including a self-referral product, exercise referral products and "Moving Mums", a targeted demographic programme.
  - Implementation and development of "YourKAL" as the Charity's on demand/ live streaming option, to provide flexibility to customers to allow them to exercise at home.
- Aim; Delivering Business Excellence
  - KC/KAL Partnership Framework commissioning plan agreed by KC in July 2021 and the KAL Board in August 2021.
  - £500k in prudential borrowing funding provided to KAL to use for a range of invest-2-save capital schemes across the Charity's sites, with the aim in reducing energy costs and CO2 emissions.

Financial Review

The table below summarises the group's financial performance:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk Management and Financial Instruments

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

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

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

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

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

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

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

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

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

Auditor

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

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

Dawn Stephenson

D Stephenson
Chair of the Trustees

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

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

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

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

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

In so far as the trustees are aware:

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

KIRKLEES ACTIVE LEISURE (4331165)
31 MARCH 2022
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIRKLEES ACTIVE LEISURE

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

In our opinion, the financial statements:

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

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern-emphasis of matter
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

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

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

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularies including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the parent charitable company, including Charities Act 2011, Charities (accounts and Reports) Regulation 2008, Companies Act 2006, data protection and anti-bribery legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations and.
- performed analytical procedures to identify any unusual or unexpected relationships.

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance and;
- enquiring of management as to actual and potential litigation and claims.

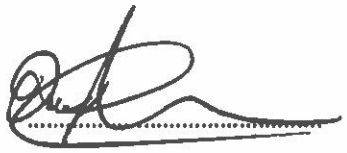
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Simpson Wood Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section1212 of the Companies Act 2006.

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



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

Chartered Accountants
Statutory Auditor

Bank Chambers
Market Street
Huddersfield
HD1 2EW

Dated: 21 September 2022

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

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

All income and expenditure derive from continuing activities.

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

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

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

All income and expenditure derive from continuing activities.

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

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

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

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

Dawn Stephenson

D Stephenson - Chair of the Trustees

CHARITY BALANCE SHEET AS AT 31 MARCH 2022

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

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

Dawn Stephonson

D Stephenson - Chair of the Trustees

CONSOLIDATED CASH FLOW STATEMENT

for the year ended

31 MARCH 2022

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

CHARITY CASH FLOW STATEMENT

for the year ended

31 MARCH 2022

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

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 2023 and the indicative funding for the following year to 31 March 2024. The budgeted income and expenditure is sufficient with this level of funding for the charity to be able to continue as a going concern.

2 Income from charitable activities – Group and Charity

	2022	2021
	£	£
Sale of goods and services	9,481,039	2,646,146
	9,481,039	2,646,146

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

3 Income from other trading activities

Group

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

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

Charity

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

4 Income from investments

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

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

5 Other income – Group and Charity

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

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

6 Analysis of expenditure

Group

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

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

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

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

7 Allocation of support costs

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

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

8 Audit fees – Group and Charity

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

The above costs are attributable to unrestricted funds.

9 Net (expenditure) for the year

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

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

10 Trustees' and key management personnel remuneration and expenses

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

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

The reimbursement of trustees' expenses was as follows:

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

11 Staff costs and employee benefits

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

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

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

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

11 Staff costs and employee benefits (continued)

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

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

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

12 Interest payable and similar charges – Group and Charity

	2022 £	2021 £
Interest on defined benefit pension liability	454,000	286,000
	454,000	286,000

13 Tangible fixed assets

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

13 Tangible fixed assets (continued)

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

14 Fixed asset investments

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

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:

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

The assets and liabilities of the subsidiary were:

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

Audit exemptions

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

15 Stocks – Group and Charity

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

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

16 Debtors

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

17 Creditors: amounts falling due within one year

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

18 Leases – Group and Charity

Operating leases – lessee

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

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

19 Deferred taxation

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

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

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

20 Fund reconciliation

Unrestricted funds - Group

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

Unrestricted funds - Charity

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

Restricted funds – Group and Charity

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

Fund descriptions

a) Unrestricted funds – Group and Charity

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

b) Designated funds – Group and Charity

None

c) Restricted funds – Group and Charity

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

21 Analysis of net assets between funds

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

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

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

23 Pensions and other post-retirement benefits

Defined benefit pension plans

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

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

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

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

Amounts recognised in the balance sheet were as follows:

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

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

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

23 Pensions and other post-retirement benefits (continued)

Defined benefit pension plans (continued)

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

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

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

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

The return on plan assets was as follows:

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

The principal actuarial assumptions used were as follows:

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

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

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

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

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

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

These transactions have been undertaken on normal commercial terms.

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

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

25 Financial Commitments and guarantees
Financial Commitments to Kirklees Council

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

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

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.

DETAILED CHARITABLE EXPENDITURE (including Governance Expenditure)

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

KIRKLEES ACTIVE LEISURE

England & Wales - Charity number 1091226

Accounts

KIRKLEES ACTIVE LEISURE

FINANCIAL STATEMENTS

31 MARCH 2021

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Company registration number: **4331165**
Registered charity number: **1091226**

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 2021. 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 (resigned 04/11/2020)
D.C. Thomson (resigned 04/11/2020)
A.N. Fletcher (resigned 04/11/2020)
Cllr. M.S. Sokhal
S.M. Sopala
B.C. Stahelin
J.S. Fletcher
S. Ahmed (appointed 04/11/2020)
S. Alderson (appointed 04/11/2020)
P. Kemp (appointed 04/11/2020)
P. Khela (appointed 04/11/2020)
Cllr. M.S. Thompson

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

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

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

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

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

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

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

Trustees also receive an 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, although such site visits have been interrupted by COVID-19 related restrictions.

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

At the annual Trustees half away day, in November 2020, the Trustees took part in a number of virtual sessions to consider health inequalities and the role that KAL could play in contributing to this agenda, as well as KAL's new health & wellbeing focus and the contents of the emerging new Partnership Framework between KAL and Kirklees Council.

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. A further review of the Charity's governance will be considered during 2022, in light of the impact of the COVID pandemic upon the Charity.

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 COVID-19 pandemic continued to impact the Charity to a considerable extent during 2020/21, as the organisation continued to have to manage significant periods of lockdown and the subsequent closure of the Charity's sites and services.

Even when allowed to briefly re-open during 2020/21, the sites operated by the Charity provided only a much reduced capacity level and range of products, with many products and even smaller sites remaining closed during 2020/21 due to their lack of viability.

While some support funding was provided by government, such as with the Coronavirus Job Retention Scheme (CJRS) and the funding of the furlough costs for the majority of the Charity's staff, it was only through the major financial support of the local authority, Kirklees Council, that the Charity was able to remain viable. Significant financial support will be required from Kirklees Council over the coming years as the Charity looks to re-establish its' customer base and, hopefully, return to pre-COVID levels of

customer visits and income.

The level of support required from Kirklees Council is reflected within the 2020/21 annual accounts, with further reference to the impact of the COVID-19 pandemic included throughout the 2020/21 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
In non-COVID-19 times, regular 121 and team meetings would be 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 was also undertaken to gain the views of the staff working for the Charity and to consider their proposals for where the Charity can improve. Staff Roadshows also took place on an approximate 6 monthly basis, providing the opportunity for staff to receive updates, contribute to relevant workshops and raise questions with the senior staff.

Given the periods of lockdown, that the majority of staff were placed into furlough and the limited delivery taking place during 2020/21, the face-2-face engagement between the Charity and its staff has been limited. Virtual 121's have continued for the retained staff team that were not furloughed, while SLT and other teams continued to meet on a regular basis throughout the COVID period.

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

When the sites and services provided by KAL are able to reopen then employee engagement activity, including 121's, team meetings, staff roadshows and the annual staff survey are hopefully to recommence.

Related Parties
The Charity works closely with Kirklees Council which provides funding and the lease of assets to the

Charity for the provision of leisure services. Whilst it has a 16.6% share of representation on the Charity's Board, the Council does not have any control over the Charity, its assets or the manner in which it operates on a day to day basis.

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

Clearly the impact of the period also had a major impact on the Charity's trading subsidiary. In 2020/21, KALT made a pre-tax loss of £7,549 and did not make a gift aid payment back to the parent Charity (2019/20 profit £12,411; after a gift aid payment of £13,974).

Objects and Activities
The objects of the Charity are:

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

The objects of the Charity contribute to a range of charitable purposes, as outlined within the Charities Act 2006, as follows. Clearly many of these aspects have been significantly negatively impacted upon during 2020/21:

Charitable purpose -	Example of activity -
The advancement of education	- The Charity delivers the local school swimming service, with much of the 2020/21 not possible due to the impact of COVID-19. - KAL's own learn to swim swimming lesson programme was previously provided to some 7,000 young people taking part in regular swimming lessons. Again, this product was largely on hold during 2020/21. - KAL's other coached activities, such as tennis, at both junior and adult level was also not able to take part during 2020/21. - In more normal times all activities would have been available to all group of the local community, with pricing discounts provided via the local Kirklees Passport scheme. - KAL staff would normally receive training in a wide range of aspects, including health & safety, safeguarding, KAL's corporate induction, etc. with this training also being postponed while the majority of staff were in furlough. -
The advancement of health	- KAL's new overall focus is to develop the Charity as a preventive health service, to both seek a new customer base and also to contribute towards improving local health inequalities, in particular attracting those from targeted demographic communities to make use of the sites and products provided by KAL. - COVID-19 allowed KAL to reconsider our strategic approach and the resources needed to deliver this, with initially, a Health Partnership Manager appointed to KAL, before being followed by

Charitable purpose -	Example of activity -
	a new Volunteer Coordinator, with volunteers viewed as a key approach for KAL to increase its' capacity with. - KAL has partnered with the University of Huddersfield's School of Human & Health Sciences to develop a number of Standard Evaluation Frameworks (SEFs) to help ensure that the Charity can clearly demonstrate the impact being of its services and products. - KAL's initial health & wellbeing products are due to be launched during 2021/22. -
The advancement of citizenship and community development	- The Charity and Kirklees Council have been engaged during 2020/21 with developing a joint Partnership Framework to try to outline the ways of working and areas which the Council would like to encourage the Charity to develop. This includes a requirement to consider the contribution that KAL can make towards addressing inequalities and, as noted above, how KAL can attract the various representative groups o the Kirklees community feel welcome. - This work will involve working with a range of community agencies and partners to ensure that KAL link effectively and avoids duplication. - Free fitness membership for Care Leavers and targeted other individuals continues to be provided.
The advancement of amateur sport	- The Charity works closely with a number of significant local sports clubs that make use of the facilities managed by the Charity. This includes athletics clubs; a range of swimming clubs;; tennis club; 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. - 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 improvement	- Reducing CO2 emissions and being as efficient as possible with energy consumption continues to be a key component of KAL's approach, with considerable investment continuing to be made to ensure emissions remain low for the type of organisation and facilities operated. - Clearly one of the few positive areas due to the COVID-pandemic, with energy use and, in turn, CO2 emissions being considerably below normal levels. Unfortunately, COVID requirements regarding ventilation of areas means that there is likely to be an increase in the level of CO2 emissions upon reopening.
The relief of those in need, by reason of youth, age, ill health, disability, financial	- 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.

Charitable purpose -	Example of activity -
hardship or other disadvantage	- Examples include the free fitness membership offer highlighted above for care leavers, etc, while the Charity also support worthy local groups, such as with disadvantaged young parents and their families from the local Home-Start group and supporting them to make use of their local leisure facilities. KAL's support of the Uniform Exchange scheme, where collection points in KAL sites allow customers to pass to Uniform Exchange school uniforms to re-cycle to those most in need, and of the local Forget Me Not Children's Hospice are further examples of where KAL support the disadvantaged. - This work has been placed on hold during the COVID-19 pandemic. - As part of KAL's contribution towards the COVID-19 pandemic, a significant number (c.35) of KAL's staff were seconded to work within children's homes and with children in need of additional support. This proved to be a very positive experience for the KAL staff involved.

Our strategy for meeting our Charitable Purposes

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

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

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

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

Given the huge impact of COVID-19 and its' impact upon KAL's finances, the second headline challenge regarding KAL remaining financial sustainable, needs to be reconsidered at an appropriate point.

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

1. Putting People First (Service)	KAL recruits and retains great staff, offering a first-class rewards package and striving to provide employees with the learning and skills they need. KAL offers excellent customer service to our customers, helping them reach their activity goals and make the most of their leisure time, within a high quality, safe environment.
2. Helping More People become More Active (Products)	KAL is a major contributor to improving the health and wellbeing of local communities through the promotion of

	healthy lifestyle choices, by providing a range of fantastic opportunities and developing specific interventions for harder to reach groups, to encourage more people to get and stay active. KAL will review and develop quality products, services and systems that collectively provide an unbeatable activity offer.
3. Delivering Business Excellence (Operations)	As a key anchor institution, KAL supports the Kirklees economy as a major employer of local people, especially under 25's, while also working with local suppliers where possible. KAL will continue to operate as efficiently as possible, offering great value for money, ensuring robust financial planning, resource, sustainability and energy management, investing in the local leisure facilities we look after

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

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

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

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

Who used and benefited from our services?
The facilities operated by the Charity received some 2.7 million customer visits during 2019/20.This included customers from across the entire community spectrum of Kirklees. Clearly the 2020/21 figure will be only a small fraction of this.

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
- Those from a range of ethnic 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 mid-2021), others may be members of voluntary and community sector clubs, but the majority will simply be members of the general public. There are no restrictions on who can make use of the facilities provided by the Charity.

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

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

- Swimming opportunities, including the provision of an extensive lesson programme, considerable school swimming use and use of the sites by the Borough of Kirklees ("BoK") performance swimming squads and the KAL Swim Performance scheme
- 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 play and TAG X activity products at Batley Sports & Tennis Centre.

While the Charity has very limited outreach capacity, it works closely with other local partners, such as Kirklees Council, Locala, the main local community health provider, Third Sector Leaders (Kirklees), the umbrella organisation for the local VCSE sector and Kirklees Youth Alliance, the umbrella organisation for the local VCSE youth providers, to encourage new customer groups to make use of the sites looked after by the Charity, with such activity again curtailed by COVID-19.

In addition, through the separate subsidiary company, Kirklees Active Leisure Trading Limited (KALT), a catering and vending service is provided by 3rd parties commissioned by KALT. Some limited health spa provision continues to be provided by KALT directly. Both of these aspects have largely not been operating during 2020/21.

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 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. During COVID-19 the Council contributed some £500k of their capital funding towards a new fitness suite development at Batley Sports & Tennis Centre.

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

KAL plays a key role with the Everybody Active local strategic partnership for sport and wider physical activity, the Kirklees Active Schools group and is represented on the Board of Third Sector Leaders – Kirklees. KAL is 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, with these links being strengthened during the COVID-19 period

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 normally would regularly consult with customers for their views and opinions, as well as seeking the opinions of current non-users. This consultation takes the form of various surveys, including the annual KAL customer survey,; community meetings and focus groups; and by received knowledge from the Charity's various partners, especially Kirklees Council, but also key bodies such as local health providers (for example, making active use of the local Joint Needs Assessment). The Charity's services are developed to try to meet the identified needs arising from this research with, wherever possible, barriers to participation (e.g. transport, price, opening hours, cultural issues, someone to attend with, etc.) addressed. This activity has been placed on hold during the COVID-19 period.

Benefits of participation

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

- **Health benefits:** The primary benefit of taking part in the activities provided by the Charity relates to improving the health, wellbeing and quality of life of individuals. Taking part in regular positive exercise has been shown to be a major factor to contributing towards reductions in heart disease, levels of obesity, the risk of cancer and type 2 diabetes, preventing high blood pressure, delaying the progression of osteoporosis and as part of the treatment process for cystic fibrosis. In recent years

there has been an evidenced link between exercise and reducing/delaying the effects of dementia. It is also recognised that physical activity has a major positive impact on an individual's mental wellbeing, improving their self-confidence and self-belief and reducing their levels of stress and anxiety.

- **Education:** A huge and increasing number of swimming lessons were taking place within the Charity's facilities each year prior to COVID-19, teaching both children and adults an important life skill. Coaching and instruction is also provided in a wide variety of sports and other leisure activities. Lifeguard, 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. Again, much of this work has been on hold due to COVID-19.
- **Community development:** A large number of sport and activity clubs would normally 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 normally able to support a number of community groups to raise the profile of their services, fundraise and improve their sustainability. COVID-19 has curtailed this activity in the short term.

Strategic Report

Achievement and Performance

Due to the impact of the COVID-19 pandemic and the closure for much of the Charity's sites and services during the majority of 2020/21 there is no significant performance to report on other than that the Charity has managed to remain solvent over the course of the year, with some positive developments having taken place to better prepare the Charity for the future challenge of re-growing the organisation to its' original scale and further.

Areas where development has taken place during 2020/21 include the following:

- YourKAL virtual and on demand fitness class product, including family activity and wellbeing sessions
- Capital developments at various sites, including –
    - Batley Sports & Tennis Centre: new fitness suite & spin studio
    - Huddersfield Leisure Centre: extensive tiling replacement work across the site
    - Batley Baths & Recreation Centre: considerable work completed to ensure that the site can be COVID-secure
- The creation of new key roles, including a f/t Volunteer Coordinator, a f/t Equality, Diversity & Inclusion Manager and new staff to oversee the emerging Exercise Referral Scheme.

Financial Review

The table below summarises the group's financial performance:

	2020/21 £000	2019/20 £000
INCOME		
From customers	2,646	13,612
From customers of subsidiary	150	334
	2,796	13,946
Investment income	2	10
Funding by Kirklees MC	4,770	1,161
Other funding	3,654	0
	11,222	15,117
EXPENDITURE		
Staff costs, including self-employed instructors	7,443	9,189
Other costs incurred by KAL	3,759	6,047
Costs incurred by KALT	116	251
	11,318	15,487
EXCESS OF EXPENDITURE OVER INCOME, BEFORE THE EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME	(96)	(370)
EFFECTS OF THE DEFINED BENEFIT PENSION SCHEME		
Current year charge	(1,409)	(2,184)
Re-measurement gain/ (loss)	(7,626)	377
	(9,035)	(1,807)
NET MOVEMENT IN FUNDS BEFORE TAX	(9,131)	(2,177)
Corporation Tax charge on KALT	(1)	5
NET MOVEMENT IN FUNDS AFTER TAX	(9,130)	(2,182)
FUNDS BROUGHT FORWARD	(11,779)	(9,597)
FUNDS CARRIED FORWARD	(20,909)	(11,779)
Comprising:		
Charity reserves, excluding pension liability	964	1,053
Subsidiary reserves	9	15
Total Funds, excluding pension liability	973	1,068
Pension deficit	(21,882)	(12,847)
Total Funds	(20,909)	(11,779)

The group's income for the year was £11,221,696 (2019/20 £15,117,807), of which only £2,646,146 (2019/20 £13,612,107) was generated through charitable trading activities due to the impact of COVID-19. The trading subsidiary contributed a further £149,833 (2019/20 £334,255) which was largely support funding rather than customer generated income.

Total resources expended amounted to £11,318,374 (2019/20 £15,487,372) including costs incurred by the trading subsidiary of £115,919 (2019/20 £250,627).

Before the actuarial effects of the defined benefit pension scheme on the group, net resources expended amounted to £1,505,678 (2019/20 £2,553,565).

Before the effects of Corporation Tax on the trading subsidiary, net outgoing resources for the year totalled £9,131,678 (2019/20 £2,176,565) and after the estimated tax charge of £1,435 (2019/20 £4,556 charge), a total of £9,099,681 (2019/20 £2,120,498) has been deducted from unrestricted funds.

The wholly owned subsidiary, Kirklees Active Leisure Trading Limited, recorded a net loss before taxation of £7,550 (2019/20 £12,411 profit).

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 £20,909,388 (2019/20 £11,778,812). Excluding the pension scheme deficit there is a general reserve of £734,309 at the end of 2020/21 (2019/20 £793,210). The Charity has restricted funds totalling £229,442 at the end of 2020/21 (2019/20 £260,003).

At 31 March 2021, the Charity had no unrestricted free reserves. Free reserves are defined by the Charity Commission as unrestricted funds, excluding those unrestricted funds which can only be realised by disposing of fixed assets held for the Charity's use.

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

Summary of future plans
The impact of the COVID-19 pandemic is likely to continue to have a considerable impact upon the Charity into 2021/22 and beyond, given the scale of the pandemic and the way in which KAL's financial position in particular has been adversely affected over the 2020/21 financial year. Without the support of Kirklees Council the Charity would not have remained viable.

KAL's future plans are focused upon the recovery and then re-growth of the Charity. The recovery phase largely depends on the continuing impact of COVID-19, with KAL seeking to re-open its' provision on a phased basis as and when government restrictions allow. It's likely that this will initially be with reduced capacities, but hopefully with these returning to more near normal levels in time.

COVID-secure aspects of KAL's delivery are likely to remain for some time to try to both support staff and customers become confident in using the KAL managed sites and services, balancing the viability of the Charity with the varying degrees of confidence from both staff and customers.

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

- **Kirklees Council support:** The Council have been very positive in their support of KAL, providing essential and considerable funding to help KAL remain viable and also to improve aspects during the COVID-19 lockdown period. Their ongoing support over the medium term will be essential if KAL is to effectively transition to the need for a reduced financial reliance on the local authority. The Council's

desire to support KAL's health & wellbeing strategic direction, as well as encouraging targeted demographic groups to make use of KAL sites and become active, is complementary to KAL's own key focus.

- **Health & wellbeing development:** The Charity has made considerable progress in connecting with the local health agency network and developing a range of potential health & wellbeing initiatives to hopefully rollout over coming years, encouraging new customers into KAL sites.
- **KAL's online offering:** The creation of the YourKAL virtual and on demand fitness class product while in COVID-19 lockdown, has given KAL a useful added value item to encourage a flexible approach to being active, with some in-site activity able to be complemented by activity in the home. KAL's web presence is now also being completely re-developed which should provide a much more customer focused web offering from the Charity.
- **Capital developments:** a new £500k+ fitness suite and spin studio was developed by KAL, funded by and in partnership with the Council, during the COVID-19 lockdown, while a new £18m leisure centre is currently being developed in the Spen Valley and is due to open in early 2022.
- **Building staff capacity:** a number of key roles have been introduced by the Charity to build capacity and ensure important development areas are being effectively oversee. The Health Partnership Manager, Volunteering Coordinator and Equality, Diversity & Inclusion Manager roles, alongside the specialist health & wellbeing staff recruited to deliver the new Exercise Referral Scheme collectively provide KAL with considerable additional staff time to help the Charity move forward.
- **Demonstrating impact:** a key omission of the Charity previously has been the lack of good quality impact data where KAL could effectively demonstrate that it's providing a good service that is making a positive impact on customers health & wellbeing. KAL is partnering with the University of Huddersfield to now try to work up an approach so that it can be clearly shown where KAL has made a positive health & wellbeing impact.

Collectively it is felt that these positive developments will help KAL to relatively quickly recover in scale to its' pre-COVID-19 position.

Risk Management and Financial Instruments

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

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

As of the KAL Board meeting in March 2021, the major corporate risks facing KAL were identified as follows:

Ref	Risk	Comment
1	COVID-19	Continuing to manage the day-to-day impact of the pandemic upon the Charity.
2	KAL's Medium Term Financial Plan	Relating to the medium term financial viability of the Charity.
3	Economic Climate	Acknowledging the ongoing difficult local financial position facing many local organisations and individuals, with increasing poverty levels and inequalities, all now exacerbated due to COVID-19.
4	Challenges around KAL site re-openings after C-19 lockdown lifted	Ensuring a safe and effective reopening of the sites and services managed by the Charity.
5	National Living Wage & National	The financial impact upon the charity of the ongoing,

	Minimum Wage	significant NLW/ NMW increases.
6	KC financial position	Significantly negatively impacted upon by COVID-19 and how the Charity can look to improve this within a continuing challenging environment.
7	Competitors opening up in the local area and Market Management in mitigation	
8	School Swimming	Continuing to ensure the effective embedding of this service into the Charity.
9	Low staff morale	
10	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.

COVID-19 was added as by far the largest risk for the Charity to attempt to mitigate against when the corporate risk register was reviewed in May 2020 and remains identified as the most significant risk when the risk register was last considered in March 2021.

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 reconsider the Charity's auditor will be proposed at a forthcoming meeting of the Trustees.

This Trustees' Report, including the Strategic Report, was approved by the Board on 22nd September 2021 and signed on its behalf by:

D M Stephenson

D Stephenson
Chair of the Trustees

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.

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 2021, 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 25. Whilst our audit opinion is not modified in this respect, material inherent uncertainties exist within the group's and the

company's business model and on-going working capital support is required from Kirklees Council to enable them to continue to operate and meet their obligations as they fall due.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

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

35 Westgate
Huddersfield
HD1 1PA

8th September 2021

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

Notes		2021 Unrestricted funds £	2021 Restricted Funds £	2021 Total £	2020 Total £
	Income and endowments from:				
2	Charitable activities	2,646,146	-	2,646,146	13,612,107
3	Other trading activities	149,833	-	149,833	334,255
4	Investments	1,907	-	1,907	10,204
	Coronavirus Job Retention Scheme	2,867,463	-	2,867,463	-
5	Other	5,203,691	352,656	5,556,347	1,161,241
	Total income	10,869,040	352,656	11,221,696	15,117,807
	Expenditure on:				
6	Raising funds	157,383		157,383	308,237
6	Charitable activities	12,187,107	383,217	12,570,324	17,363,135
	Total expenditure	12,344,490	383,217	12,727,707	17,671,372
	Net income/(expenditure)	-1,475,450	-30,561	-1,506,011	-2,553,565
	Other recognised gains/(losses):				
24	Re-measurement gain/(loss) on defined benefit pension scheme	-7,626,000	-	-7,626,000	377,000
	Net movement in funds before tax	-9,101,450	-30,561	-9,132,011	-2,176,565
	Corporation tax charge on subsidiary	1,435	-	1,435	-4,556
21	**Net movement in funds after tax**	-9,100,015	-30,561	-9,130,576	-2,181,121
	Reconciliation of funds:				
21	Total funds brought forward	-12,038,815	260,003	-11,778,812	-9,597,691
21	**Total funds carried forward**	-21,138,830	229,442	-20,909,388	-11,778,812

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)

Notes		2021 Unrestricted funds £	2021 Restricted Funds £	2021 Total £	2020 Total £
	Income and endowments from:				
2	Charitable activities	2,646,146	-	2,646,146	13,612,107
3	Other trading activities	41,100	-	41,100	71,584
4	Investments	1,906	-	1,906	9,838
	Coronavirus Job Retention Scheme	2,867,463	-	2,867,463	-
5	Other	5,203,691	352,656	5,556,347	1,161,241
	Total income	10,760,306	352,656	11,112,962	14,854,770
	Expenditure on:				
6	Charitable activities	12,228,207	383,217	12,611,424	17,420,745
	Total expenditure	12,228,207	383,217	12,611,424	17,420,745
	Net income/(expenditure)	-1,467,901	-30,561	-1,498,462	-2,565,975
	Other recognised gains/(losses):				
24	Re-measurement gain/(loss) on defined benefit pension scheme	-7,626,000	-	-7,626,000	377,000
	Net movement in funds	-9,093,901	-30,561	-9,124,462	-2,188,975
	Reconciliation of funds:				
21	Total funds brought forward	-12,053,790	260,003	-11,793,787	-9,604,812
21	**Total funds carried forward**	-21,147,691	229,442	-20,918,249	-11,793,787

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 2021

Notes		2021	2020
		£	£
	Fixed assets		
13	Tangible assets	1,141,705	1,552,090
		1,141,705	1,552,090
	Current assets		
15	Stocks	24,568	31,899
16	Debtors	1,033,801	206,593
	Cash at bank and in hand	1,950,194	1,646,081
		3,008,563	1,884,573
17	**Creditors:** amounts falling due within one year	-3,174,116	-2,363,500
	Net current assets	-165,553	-478,927
	Total assets less current liabilities	976,152	1,073,163
18	**Creditors:** amounts falling due after more than one year	-	-
20	**Provision for liabilities**	-3,540	-4,975
	Net assets excluding pension liability	972,612	1,068,188
24	**Defined benefit pension liability**	-21,882,000	-12,847,000
	Net (liabilities)	-20,909,388	-11,778,812
	Charity Funds		
	Unrestricted funds excluding pension deficit	734,309	793,210
	Charity Trading Subsidiary	8,861	14,975
	Designated funds	-	-
	Total unrestricted funds before pension deficit	743,170	808,185
24	**Pension deficit**	-21,882,000	-12,847,000
21	**Total unrestricted funds**	-21,138,830	-12,038,815
21	**Restricted funds**	229,442	260,003
	Total charity deficit	-20,909,388	-11,778,812

The financial statements were approved and authorised by the Board on 22 September 2021.
The notes on pages 25 to 41 form part of these financial statements.
Signed on behalf of the board of trustees

D M Stephenson

D Stephenson - Chair of the Trustees

CHARITY BALANCE SHEET AS AT 31 MARCH 2021

Notes		2021 £	2020 £
	Fixed assets		
13	Tangible assets	1,118,644	1,520,826
14	Investments	2	2
		1,118,646	1,520,828
	Current assets		
15	Stocks	24,568	27,320
16	Debtors	1,138,907	271,070
	Cash at bank and in hand	1,916,340	1,607,346
		3,079,815	1,905,736
17	**Creditors:** amounts falling due within one year	-3,234,710	-2,373,351
	Net current assets	-154,895	-467,615
	Total assets less current liabilities	963,751	1,053,213
18	**Creditors:** amounts falling due after more than one year	-	-
	Net assets excluding pension liability	963,751	1,053,213
24	**Defined benefit pension liability**	-21,882,000	-12,847,000
	Net (liabilities)	-20,918,249	-11,793,787
	Charity Funds		
	Unrestricted funds excluding pension deficit	734,309	793,210
	Designated funds	-	-
	Total unrestricted funds before pension deficit	734,309	793,210
24	**Pension deficit**	-21,882,000	-12,847,000
21	**Total unrestricted funds**	-21,147,691	-12,053,790
21	**Restricted funds**	229,442	260,003
	Total charity deficit	-20,918,249	-11,793,787

The financial statements were approved and authorised by the Board on 22 September 2021.
The notes on pages 25 to 41 form part of these financial statements.
Signed on behalf of the board of trustees

D M Stephenson

D Stephenson - Chair of the Trustees

CONSOLIDATED CASH FLOW STATEMENT

for the year ended

31 MARCH 2021

Note		2021 £	2020 £
22	**Net cash flow from operating activities**	361,441	19,244
	Cash flow from investing activities		
	Payments to acquire tangible fixed assets	(64,179)	(629,852)
	Receipts from sales of tangible fixed assets	10,958	50,508
	Interest received	1,907	10,204
	Net cash flow from investing activities	(51,314)	(569,140)
	Cash flow from financing activities		
	Repayment of finance lease liabilities	-	-
	Interest paid	-	-
	Net cash flow from financing activities	-	-
	Net increase/(decrease) in cash and cash equivalents	310,127	(549,897)
	Cash and cash equivalents at 1 April 2020	1,640,006	2,189,903
	Cash and cash equivalents at 31 March 2021	1,950,133	1,640,006
	Cash and cash equivalents consists of:		
	Cash at bank and in hand	1,950,194	1,646,081
	Bank overdraft	(61)	(6,075)
	Cash and cash equivalents at 31 March 2021	1,950,133	1,640,006

CHARITY CASH FLOW STATEMENT

for the year ended

31 MARCH 2021

Note		2021 £	2020 £
22	**Net cash flow from operating activities**	360,309	72,789
	Cash flow from investing activities		
	Payments to acquire tangible fixed assets	(64,179)	(600,298)
	Receipts from sales of tangible fixed assets	10,958	50,508
	Interest received	1,906	9,838
	Net cash flow from investing activities	(51,315)	(539,952)
	Cash flow from financing activities		
	Repayment of finance lease liabilities	-	-
	Interest paid	-	-
	Net cash flow from financing activities	-	-
	Net increase/(decrease) in cash and cash equivalents	308,994	(467,163)
	Cash and cash equivalents at 1 April 2020	1,607,346	2,074,509
	Cash and cash equivalents at 31 March 2021	1,916,340	1,607,346
	Cash and cash equivalents consists of:		
	Cash at bank and in hand	1,916,340	1,607,346
	Bank overdraft	-	-
	Cash and cash equivalents at 31 March 2021	1,916,340	1,607,346

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 2022 and the indicative funding for the following year 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 2022 up to a cap of £3.5m. 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

	2021	2020
	£	£
Sale of goods and services	2,646,146	13,612,107
	2,646,146	13,612,107

Income from charitable activities was £2,646,146 (2020: £13,612,107) of which £nil (2020: £nil) was attributable to restricted and £2,646,146 (2020: £13,612,107) was attributable to unrestricted funds.

3 Income from other trading activities

Group

	2021	2020
	£	£
Trading subsidiary turnover	149,833	334,255

Income from other trading activities was £149,833 (2020: £334,255) which was all attributable to unrestricted funds.

Charity

	2021	2020
	£	£
Management charge received from subsidiary	41,100	57,610
Deed of gift from subsidiary	-	13,974
	41,100	71,584

4 Income from investments

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Interest	1,907	1,906	10,204	9,838

Group income from investments was £1,907 (2020: £10,204) which was all attributable to unrestricted funds.

5 Other income – Group and Charity

	2021	2020
	£	£
Funding provided by Kirklees Metropolitan Council	4,769,728	1,161,241
Coronavirus Business Support Grants	433,963	-
National Leisure Recovery Fund	352,656	-
	5,556,347	1,161,241

Other income was £5,556,347 (2020: £1,161,241) of which £5,203,691 (2019: £1,161,241) was attributable to unrestricted funds and £352,656 (2019: £nil) was attributable to restricted funds.

6 Analysis of expenditure

Group

Raising funds	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Trading subsidiary expenses	89,842	16,439	8,203	42,899	157,383
Charitable activities					
Staff costs	4,881,837			3,643,006	8,524,843
Transport costs		4,891		13,105	17,996
Premises costs		1,663,189		60,208	1,723,397
Supplies & services	286,000	793,766	466,361	534,254	2,080,381
Kirklees Metropolitan Council service level agreements		440		223,267	223,707
	5,167,837	2,462,286	466,361	4,473,840	12,570,324
Total resources expended	5,257,679	2,478,725	474,564	4,516,739	12,727,707

Expenditure on raising funds was £157,383 (2020: £308,237) all of which was attributable to unrestricted funds. Expenditure on charitable activities was £12,570,324. (2020: £17,363,135) of which £3,250,680 (2020: £60,623) was attributable to restricted and £9,319,644 (2020: £17,302,512) was attributable to unrestricted funds.

Charity	Staff costs £	Other costs £	Depreciation £	Support costs £	Total £
Charitable activities					
Staff costs	4,881,837			3,684,106	8,565,943
Transport costs		4,891		13,105	17,996
Premises costs		1,663,189		60,208	1,723,397
Supplies & services	286,000	793,766	466,361	534,254	2,080,381
Kirklees Metropolitan Council service level agreements		440		223,267	223,707
	5,167,837	2,462,286	466,361	4,514,940	12,611,424
Total resources expended	5,167,837	2,462,286	466,361	4,514,940	12,611,424

Expenditure on charitable activities was £12,611,424 (2020: £17,420,745) of which £3,250,680 (2020: £60,623) was attributable to restricted and £9,360,744 (2020: £17,360,122) was attributable to unrestricted funds.

7 Allocation of support costs

Group	Raising funds	Charitable Activities	Total
	£	£	£
Staff costs	41,100	3,643,006	3,684,106
Transport costs	-	13,105	13,105
Premises costs	1,799	60,208	62,007
Supplies and services	-	534,254	534,254
Kirklees Metropolitan Council service level agreements	-	223,267	223,267
Total	42,899	4,473,840	4,516,739

Charity	Charitable Activities	Total
	£	£
Staff costs	3,684,106	3,684,106
Transport costs	13,105	13,105
Premises costs	60,208	60,208
Supplies and services	534,254	534,254
Kirklees Metropolitan Council service level agreements	223,267	223,267
Total	4,514,940	4,514,940

8 Audit fees – Group and Charity

	2021	2020
	£	£
Auditor's remuneration – statutory audit	11,210	11,290

The above costs are attributable to unrestricted funds.

9 Net (expenditure) for the year

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

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Depreciation of tangible fixed assets	474,563	466,361	469,941	463,246
Gain on sale of tangible fixed assets	(10,958)	(10,958)	(50,508)	(50,508)
Operating lease rentals	232,124	232,124	232,124	232,124

10 Trustees' and key management personnel remuneration and expenses

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

The total amount of employee benefits received by key management personnel is £140,050 (2020: £140,050). 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:

	2021 Number	2020 Number	2021 £	2020 £
Travel	0	1	0	237

11 Staff costs and employee benefits

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

	2021 Number	2021 FTE	2020 Number	2020 FTE
Raising funds	18	5.1	18	7.5
Charitable activities	646	282.8	730	307
	664	287.9	748	314.5

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

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Wages and salaries	6,461,303	6,382,144	7,396,357	7,300,979
Social security	375,607	372,598	454,846	451,122
Defined benefit pension operating costs	1,641,537	1,633,863	2,494,736	2,486,455
Other payroll costs	53,429	53,429	167,314	167,095
Self-employed instructors	123,909	123,909	699,822	699,822
	8,655,785	8,565,943	11,213,075	11,105,473

11 Staff costs and employee benefits (continued)

The total amount of employee redundancy or termination payments relating to the reporting period is £23,000 (2020: £75,484). 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:

	2021 Number	2020 Number
£70,001 - £80,000	1	1
£60,001 - £70,000	1	1

12 Interest payable and similar charges – Group and Charity

	2021 £	2020 £
Interest on defined benefit pension liability	286,000	268,000
	286,000	268,000

13 Tangible fixed assets

Group	Plant and equipment £	Fixtures and Fittings £	Total £
Cost:			
At 1 April 2020	3,713,918	1,424,877	5,138,795
Additions	37,738	26,441	64,179
Disposals	-	-	-
At 31 March 2021	3,751,656	1,451,318	5,202,974
Depreciation:			
At 1 April 2020	2,777,337	809,368	3,586,705
Charge for the year	321,068	153,496	474,564
On disposals	-	-	-
At 31 March 2021	3,098,405	962,864	4,061,269
Net Book value:			
At 31 March 2021	653,251	488,454	1,141,705
At 31 March 2020	936,581	615,509	1,552,090

13 Tangible fixed assets (continued)

Charity	Plant and equipment £	Fixtures and fittings £	Total £
Cost:			
At 1 April 2020	3,701,229	1,344,519	5,045,748
Additions	37,738	26,441	64,179
Disposals	-	-	-
At 31 March 2021	3,738,967	1,370,960	5,109,927
Depreciation:			
At 1 April 2020	2,774,508	750,414	3,524,922
Charge for the year	318,980	147,381	466,361
On disposals			
At 31 March 2021	3,093,488	897,795	3,991,283
Net Book value:			
At 31 March 2021	645,479	473,165	1,118,644
At 31 March 2020	926,721	594,105	1,520,826

14 Fixed asset investments

Charity	Equity in subsidiary undertaking £	Total £
Cost:		
At 1 April 2020 and 31 March 2021	2	2
Carrying amount:		
At 31 March 2021	2	2
At 1 April 2020	2	2

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:

	2021	2020
	£	£
Turnover	5,830	334,255
Cost of sales	(10,299)	(116,611)
Gross profit	(4,469)	217,644
Administration expenses	(105,984)	(134,015)
Management charge paid to Kirklees Active Leisure	(41,100)	(57,610)
Other operating income	144,003	-
Interest receivable & similar income	1	366
Net profit	(7,549)	26,385
Deed of gift to Kirklees Active Leisure	-	(13,974)
Tax on profit on ordinary activities	1,435	(4,556)
	(6,114)	7,855

The assets and liabilities of the subsidiary were:

Assets	128,205	124,562
Liabilities	(119,342)	(109,585)
Total net assets	8,863	14,977
Aggregate share capital and reserves	8,863	14,977

15 Stocks – Group and Charity

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Consumables	4,825	4,825	8,205	7,577
Goods for resale	19,743	19,743	23,694	19,743
	24,568	24,568	31,899	27,320

All stock held is for use to further the charity's activities or for resale. All the Trading Subsidiary stock was written off due the COVID-19 closures.

16 Debtors

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Trade debtors	474,107	473,578	71,104	62,225
Amounts owed by subsidiary	-	105,895	-	81,573
Other debtors	-	-	7,542	-
Prepayments	144,889	144,629	115,160	114,485
Accrued income	414,805	414,805	12,787	12,787
	1,033,801	1,138,907	206,593	271,070

17 Creditors: amounts falling due within one year

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Bank loans and overdrafts	61	-	6,075	-
Trade creditors	250,259	248,498	151,023	147,961
Amounts owed to subsidiary	-	70,022	-	32,888
Other tax and social security	174,053	173,574	69,736	63,686
Other creditors	342,838	335,063	440,946	433,096
Accruals and deferred income	2,361,833	2,361,833	1,695,720	1,695,720
	3,129,044	3,188,990	2,363,500	2,373,351

18 Leases – Group and Charity

Operating leases – lessee

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

Leases expiring:	2021 £	2020 £
Later than one and not later than five years	393,121	319,468
Later than five years	-	-
	393,121	319,468

19 Deferred taxation

The movement in the deferred tax provision during the year was:	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Provision brought forward	4,975	-	419	-
Profit and loss account movement during the year	(1,435)	-	4,556	-
Provision carried forward	3,540	-	4,975	-

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

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Fixed asset timing differences	3,540	-	4,975	-

20 Fund reconciliation

Unrestricted funds - Group

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31 March 2021 £
Unrestricted	-12,038,815	8,001,577	-9,475,592	-7,626,000	-21,138,830
Designated funds	-	-	-	-	-
	-12,038,815	8,001,577	-9,475,592	-7,626,000	-21,138,830

Unrestricted funds - Charity

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31 March 2021 £
Unrestricted	-12,053,790	7,892,843	-9,360,744	-7,626,000	-21,147,691
Designated funds	-	-	-	-	-
	-12,053,790	7,892,843	-9,360,744	-7,626,000	-21,147,691

Restricted funds – Group and Charity

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31 March 2021 £
Restricted	260,003	3,220,119	-3,250,680	-	229,442

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. 2021 income is largely made up of the Government Coronavirus Job Retention Scheme

21 Analysis of net assets between funds

	Unrestricted		Restricted		Total	
	Group	Charity	Group	Charity	Group	Charity
	£	£	£	£	£	£
Fixed assets	1,141,705	1,118,644	-	-	1,141,705	1,118,644
Investments	-	2	-	-		2
Net current assets	-398,535	-384,337	229,442	229,442	-169,093	-154,895
Creditors: more than one Year	-		-	-	-	-
Pension liability	-21,882,000	-21,882,000	-	-	-21,882,000	-21,882,000
Total	-21,138,830	-21,147,691	229,442	229,442	-20,909,388	-20,918,249

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

Group	2021	2020
	£	£
Net (expenditure) for the year	- 1,506,011	-2,553,565
Interest (receivable)/payable	- 1,907	-10,204
Depreciation of tangible fixed assets	474,564	469,941
Profit on disposal of fixed assets	- 10,958	-50,508
Corporation tax paid	-	-
Pension funding	1,409,000	2,184,000
(Increase)/decrease in stock	7,331	2,462
(Increase)/decrease in debtors	- 827,208	622,802
Increase/(decrease) in creditors	816,630	-645,684
Net cash flow from operating activities	361,441	19,244

Charity		
Net (expenditure) for the year	- 1,498,462	-2,565,975
Interest (receivable)/payable	- 1,906	-9,838
Depreciation of tangible fixed assets	466,361	463,246
Profit on disposal of fixed assets	- 10,958	-50,508
Pension funding	1,409,000	2,184,000
(Increase) in stock	2,752	1,751
(Increase)/decrease in debtors	- 867,837	677,895
Increase/(decrease) in creditors	861,359	-627,782
Net cash flow from operating activities	360,309	72,789

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:

	2021	2020
	£	£
Contributions	518,000	615,000
Current service cost	(1,641,000)	(2,019,000)
Past service cost	-	(512,000)
Net interest expense	(286,000)	(268,000)
Recognised in net expenditure	(1,409,000)	(2,184,000)
Recognised in other gains/(losses)	(7,626,000)	377,000
Total credit/(cost) recognised	(9,035,000)	(1,807,000)

Amounts recognised in the balance sheet were as follows:

	2021	2020
	£	£
Present value of funded obligations	(48,993,000)	(34,541,000)
Fair value of plan assets	27,111,000	21,694,000
	(21,882,000)	(12,847,000)

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

	2021
	£
Opening defined benefit obligation	34,541,000
Current service cost	1,641,000
Past service cost	-
Interest expense	793,000
Actuarial (gains)/loss	12,156,000
Contributions by scheme participants	315,000
Benefits paid	(453,000)
Closing defined benefit obligation	48,993,000

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:

	2021 £	2020 £
Opening plan assets	21,694,000	23,814,000
Interest income	507,000	601,000
Re-measurement gains on assets	4,530,000	(3,117,000)
Contributions by charity	518,000	615,000
Contributions by scheme participants	315,000	357,000
Benefits paid	(453,000)	(576,000)
Closing plan assets	27,111,000	21,694,000

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

	2021	2020
Equities	79.7%	77.5%
Government funds	8.3%	9.6%
Corporate funds	4.6%	5.1%
Property	3.8%	4.5%
Cash	2.0%	1.9%
Other assets	1.6%	1.4%
	100%	100%

The return on plan assets was as follows:

	2021 £	2020 £
Interest income	507,000	601,000
Gain/(loss) on plan assets (excluding interest income)	4,530,000	(3,117,000)
Total return on plan assets	5,037,000	(2,516,000)

The principal actuarial assumptions used were as follows:

	2021	2020
Discount rate	2.1%	2.3%
Expected rates of salary increases	3.85%	3.05%
Expected rates of pension increases	2.6%	1.8%
Expected rate of inflation – RPI	2.6%	1.8%
Expected rate of inflation – CPI	2.6%	1.8%

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:

	2021	2020
Retiring at the balance sheet date		
- Males	21.9	21.8
- Females	24.7	24.6
Retiring in 20 years		
- Males	22.6	22.5
- Females	25.8	25.7

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 2021	- 1,757	-
At 31 March 2020	12,069	-

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.

DETAILED CHARITABLE EXPENDITURE (including Governance Expenditure)

	2021		2020	
	£	£	£	£
Staff costs				
Salaries	4,606,895		5,152,903	
Wages	2,050,986		2,669,074	
Teachers	607,724		508,476	
Self-employed instructors	123,909		699,822	
Indirect employee costs	53,429		159,178	
Current year pension charge	1,123,000		1,916,000	
		8,565,943		11,105,453
Transport costs		17,996		424,958
Premises costs				
Repairs and maintenance	493,308		582,452	
Electricity	236,692		482,357	
Gas	249,104		467,864	
Water	68,700		178,762	
Energy savings works	118,459		125,940	
Other utility costs	3,035		16,543	
Rent	250,575		238,524	
Insurance	65,227		118,597	
Water treatment	38,232		87,680	
Non-recreational equipment	32,759		59,108	
Rates	5,184		58,474	
Other	162,122		186,612	
		1,723,397		2,602,913
Supplies and services				
Equipment	93,103		164,949	
Marketing	159,820		203,841	
IT	206,875		281,629	
Postage, printing and stationery	7,204		33,568	
Communications	27,068		29,525	
Resale items	3,643		91,189	
Depreciation	466,361		463,246	
Kirklees Metropolitan Council finance charges	479,307		483,142	
Professional	111,993		240,696	
Licences	61,847		156,881	
Financial	307,390		294,679	
Irrecoverable VAT	96,849		524,460	
Other	58,921		62,792	
		2,080,381		3,030,597
Kirklees Metropolitan Council service level agreements		223,707		256,805
Total expenditure		12,611,424		17,420,726